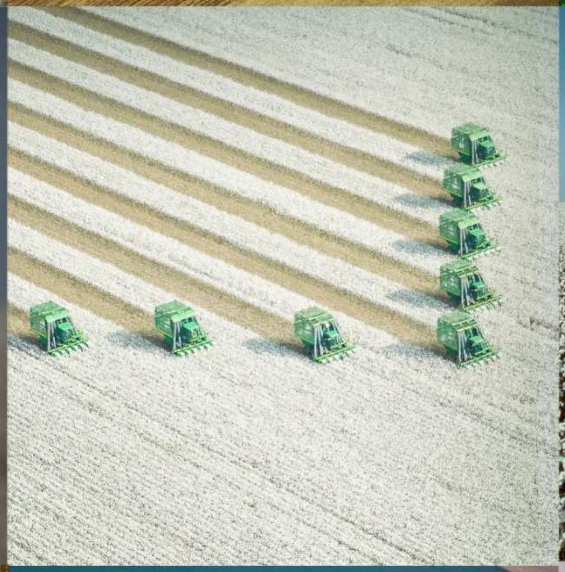
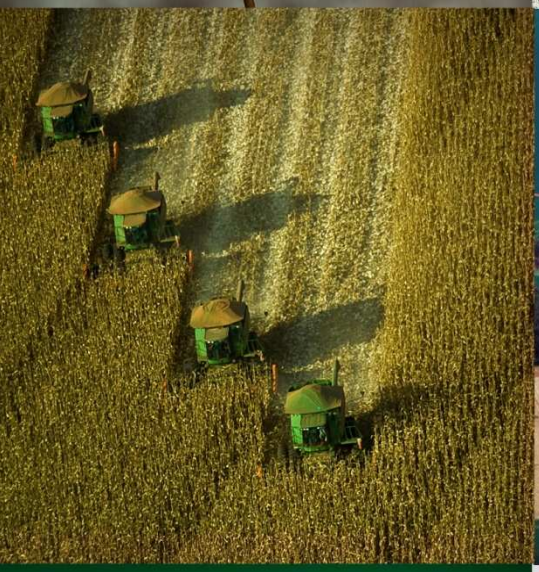









SLC Agrícola

FINANCIAL STATEMENTS 2013

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MANAGEMENT BOARD

Eduardo Silva Logemann
Chairman of Management Board

Jorge Luiz Silva Logemann
Vice President of Management Board

Members of the Board
José Galló
Luiz Fernando Cirne Lima
Osvaldo Burgos Schirmer

****

BOARD OF EXECUTIVE OFFICERS

Aurélio Pavinato
Chief Executive Officer

Ivo Marcon Brum
CFO and Investor Relations

Aldo Roberto Tisott
Director of Sales

Gerson Trenhago
Director of Production

****

STATUTORY AUDIT COMMITTEE

João Carlos Sfreddo
Chairman of Statutory Audit Committee

Paulo Roberto Kruse
Counselor

Maurício Rocha Alves Carvalho
Counselor

****

Paulo Regis Barato da Silva
Accountant - CRC: 051887/O-8

MANAGEMENT REPORT

MESSAGE FROM MANAGEMENT

The year 2013 reflected the 2012/13 crop year, a period during which the Company harvested 282,000 hectares planted primarily with soybean, cotton and corn.

The importance of the geographic distribution of our production units was once again validated during the 2012/13 crop year, since it substantially mitigated the impacts from the adverse weather events in the states of Bahia and Piauí. The hedging strategy (forward sales of commodities and currency) and the opportune purchases of inputs in 2012 (reflecting our in-depth and systematic analysis of markets) also proved fundamental for reducing price volatility and assuring profitability, given the downward trend in grain prices over the year.

Net revenue grew 5.6% from 2012, mainly due to the higher volume of grain invoiced and the better prices for cotton and soybean. Operating cash flow as measured by EBITDA (Adjusted) came to R$233.7 million, falling in relation to 2012 due to the drought that lowered our yield and increased our unit cost. Net income, however, grew significantly from 2012 (151%) to end the period at R$96.6 million.

In 2013, as we do every year, we marked to market our portfolio of owned properties, which, based on the independent report prepared by Deloitte Touche Tohmatsu in June 2013, was appraised at R$2,679 million, or 18.0% higher than the average price per hectare in the 2012 appraisal report (excluding any variations in the areas of farms), which adds value to the Company's assets and validates the choice of properties in regions with high potential for price appreciation.

Main achievements in 2013:

1) Expansion in planted area of 22%, from 282,473 hectares (2012/13 crop year) to 343,953 hectares (2013/14 crop year);

2) Higher sales volume: in 2013, SLC Agrícola surpassed the 1 million tons invoiced threshold (1,072,971), compared to 989,110 in 2012 (8.5% increase in volume);

3) Partnership with Grupo Soares Penido: as announced in the Material Fact notice dated March 8, we signed a joint venture agreement with Grupo Soares Penido, which led to the creation of a partnership to jointly produce and market agricultural commodities in the state of Mato Grosso. In the current crop year (2013/14), 8,759 hectares have already been planted under this partnership;

4) Partnership with Grupo Mitsui: as announced in the Material Fact notice dated July 8, we signed a joint venture agreement with the Japanese multinational Mitsui & Co, Ltd. that led to the creation of a partnership to jointly produce and market agricultural commodities in the state of Bahia. In the current crop year (2013/14), 21,898 hectares have already been planted under this partnership;

5) First acquisitions by SLC LandCo: another important event in the second quarter of the year (which we announced in the Notice to the Market dated June 3) was the first major land acquisition by SLC LandCo, which acquired 10,012 hectares in the state of Maranhão for R$37.5 million. The acquisition brings the total land holdings acquired by SLC LandCo to 13,692 hectares, for investment of R$52 million.

In 2013, our Company garnered the following awards:

- Elected “Melhores da Dinheiro” [Best of *Dinheiro*] by the magazine *IstoÉ Dinheiro* in the Agribusiness category. The Company was assessed based on five management

criteria: financial sustainability, human resources, innovation and quality, social and environmental responsibility and corporate governance;

- "Destaque A Granja do Ano" [*A Granja* Highlight of the Year] by the magazine *A Granja* in the Corn category. This was the 13th consecutive time that we have won this award;

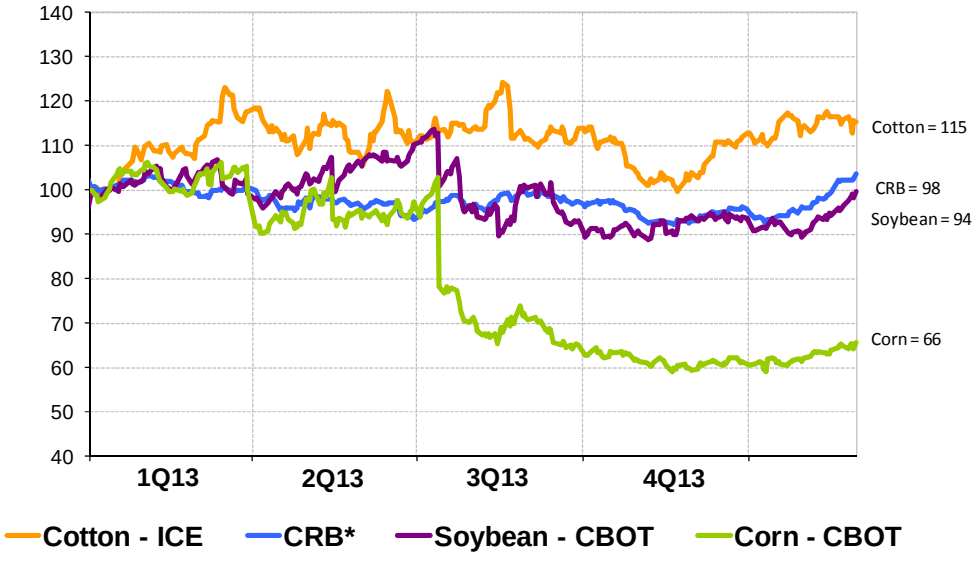
- For the second consecutive year, our Social Action Group won the award Top Cidadania 2013 [Top Citizenship 2013] in the Company category sponsored by the Brazilian Human Resources Association of Rio Grande do Sul (ABRH-RS) for its project "GAS: 10 years of social action." This is the second award garnered by the team in 2013, which in March had already received the award "ONG Parceiros Voluntários" [NGO Volunteer Partners];

- Selected as the largest company in the agricultural industry in the country's South sponsored by the magazine *Amanhã* in its yearbook "Grandes e Líderes 2013" [Biggest and Leaders 2013].

As previously announced, for the 2013/14 crop year, our planted area amounted to 343,953 hectares (expanding nearly 22% from 2012/13, mainly due to the aforementioned initiatives), with growth in the areas planted with soybean (to 185,120 hectares) and cotton (to 93,679 hectares). The Company has already signed forward sales agreements for more than 65% of the production projected for the year (based on the hedge position disclosed on page 18), in line with our risk management policy, in order to ensure high profitability in the crop year within the predetermined exposure limits.

MARKET OUTLOOK

Commodities Prices Variation
From Jan 2013 to Feb 2014 (1st Contract)

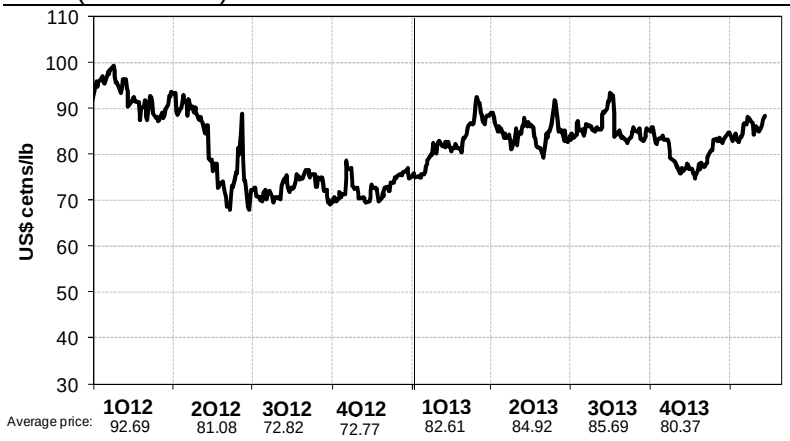


Source: CMA (12/31/2012 = 100)
Up to 02/28/2014.

*Commodity Research Bureau

Cotton

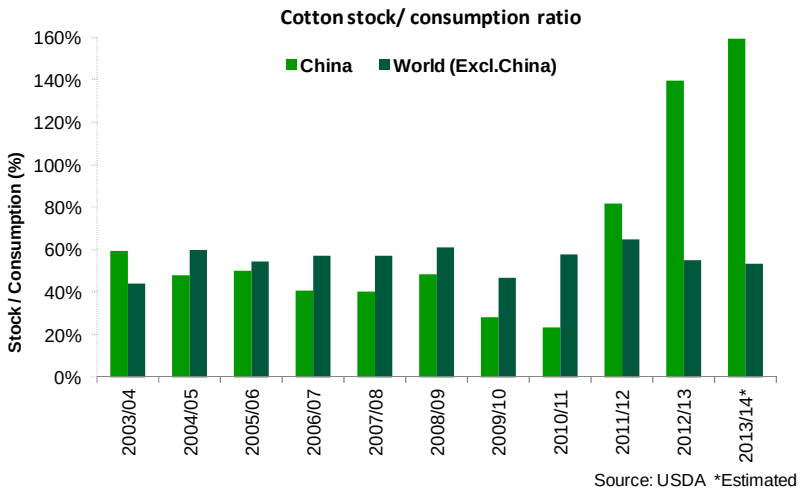
Cotton Prices in the International Market
ICE - (1° Contract)



source: ICE/CMA

Quotes for cotton futures traded on ICE Futures U.S. (ICE) averaged US¢83.4/lb in 2013, up 4.8% from 2012, when the average quote was US¢79.6/lb. Quotes for cotton in 4Q13 averaged US¢80.37/lb, up 10.4% from US¢72.8/lb in the year-ago period.
The higher cotton prices in 2013 continue to reflect China's stockpiling policy, which has absorbed virtually all of the world's surplus production in the last 3 years.

The Chinese government's reserve program was launched in September 2011 and is expected to continue through March 2014, when it will be concluded, according to the government, and not be reestablished in the 2014/15 crop year. In the current crop year, the Chinese government has been paying prices substantially higher than those practiced in the international market, which has increased prices in the country's domestic market and reduced the supply of cotton available to the yarn industry. This policy has supported China's domestic prices as well as international cotton prices, since the limited domestic supply had forced spinners to import cotton.



Source: USDA *Estimated

According to USDA estimates, in the last three years China's cotton stockpiles have grown by 445%, from 10.6 million bales in 2010/11 to 57.8 million bales in 2013/14. If we remove China from the global supply and demand equation, elsewhere in the world cotton stocks have actually fallen by 1.2% and the stock/consumption ratio is expected to be the lowest in the last four years

China's larger stocks and the potential shift in its stockpiling policy, which would lead to sales of government reserves to the market and lower import quotas, could slow the pace of Chinese imports. According to the USDA, China should import 11 million bales for the 2013/14 crop year, down 55% from the prior year.

In the United States, the world's largest cotton exporter, production in the 2013/14 crop year should amount to 13.2 million bales, down 23.7% from the previous year. The contraction in planted area and the drought in Texas resulted in the lowest level of U.S. production since 2010/11.

The lower production in the United States should reduce the country's export volumes to 10.7 million bales, which is the lowest level since 2000/01. Despite the lower exports, U.S. stocks of 2.8 million bales are expected and the stock/consumption ratio should reach 19.6, which is the lowest level in three years, a fact that has also been supporting prices for the fiber in recent months.

Cotton Supply and Demand

United States		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13*	2013/14**
Area (thd ha)		4,245	3,063	3,047	4,330	3,829	3,793	3,102
Yields (kg/ha)		985	911	871	910	886	994	926
Beginning Stocks	--- million bales ---	9.5	10.1	6.3	2.9	2.6	3.4	3.9
Production		19.2	12.8	12.2	18.1	15.6	17.3	13.2
Total Supply		28.7	22.9	18.5	21.1	18.2	20.7	17.1
Export		13.6	13.3	12.0	14.4	11.7	13.0	10.7
Consumption		4.6	3.5	3.6	3.9	3.3	3.5	3.6
Ending Stocks		10.1	6.3	2.9	2.6	3.4	3.9	2.8
Stocks/Consumption (%)		55.2%	37.7%	18.9%	14.2%	22.3%	23.6%	19.6%

Source: USDA March, 2014 **Estimated **Projected*

In Brazil, according to Companhia Nacional de Abastecimento (CONAB), an agency of Brazil's Ministry of Agriculture, cotton production in the 2012/13 crop year was 1,310,300 tons, down 30.8% from the previous crop year. With lower production and slightly higher consumption (887,700 tons), the domestic market should remain tight, with reductions in exports required to prevent shortages. According to CONAB, Brazil's cotton exports should fall by 45.5%, from 1,052,000 tons in 2011/12 to 572,900 tons in 2012/13.

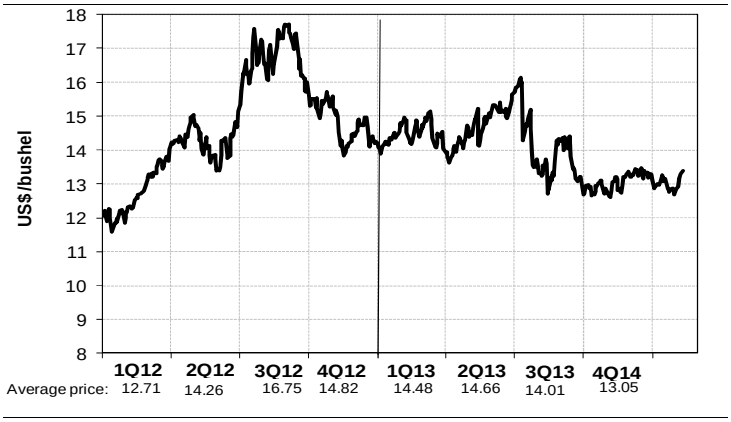
Higher cotton prices in the domestic and export markets and the more unfavorable scenario, especially for second-crop corn in Brazil, should lead to expansion in Brazil's cotton planted area in the 2013/14 crop year. According to CONAB, the planted area should expand by 22,1% to 1.09 million hectares.

For 2014/15, market uncertainty continues to focus primarily on the developments in China's stockpiling policy. The possibility exists of further reductions in China's imports due to the high domestic stocks. On the other hand, the announcement of the end of cotton purchases under the stocks policy next crop year should significantly reduce China's cotton planted area in 2014, since without the security of high prices from the government, Chinese producers should migrate to other crops, such as corn, soybean, other grains and fruits, that may be more attractive economically and, in some cases, enjoy government programs to regulate stocks and prices.

China's lower production could play an important role in supporting cotton prices in the medium and long term, even with the large government stocks available.

Soybean

Soybean Prices in the International Market
CBOT - (1st Contract)

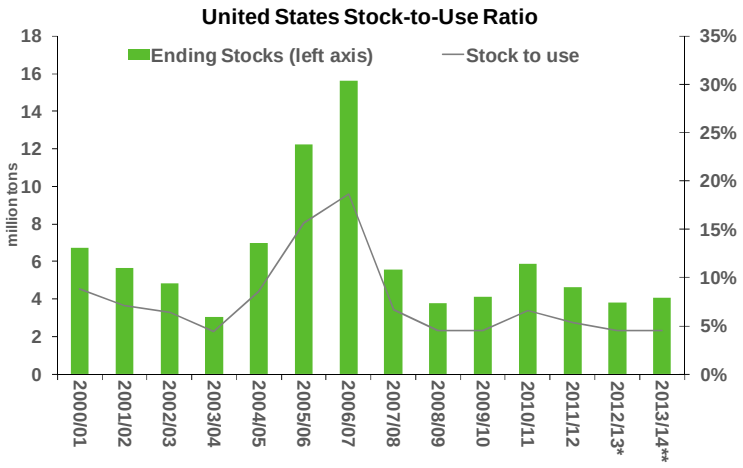


Source: CBOT/CMA

Spot prices for soybean traded on the Chicago Board of Trade (CBOT) averaged US$14.05/bu in 2013, down 4.2% from 2012, when quotes averaged US$14.66/bu. In 4Q13, soybean quotes averaged US$13.05/bu, decreasing 12% from 4Q12, when quotes averaged US$14.82/bu.

The 2013/14 crop year is the third consecutive year of declines in U.S. production potential due to adverse weather. Stocks, which were very low in the 2012/13 crop year, should increase only slightly this season, from 3.8 to 4.0 million tons, according to the USDA.

With a tight supply and demand balance in the United States, rebuilding world stocks will only be possible with the confirmation of a good soybean crop in South America.



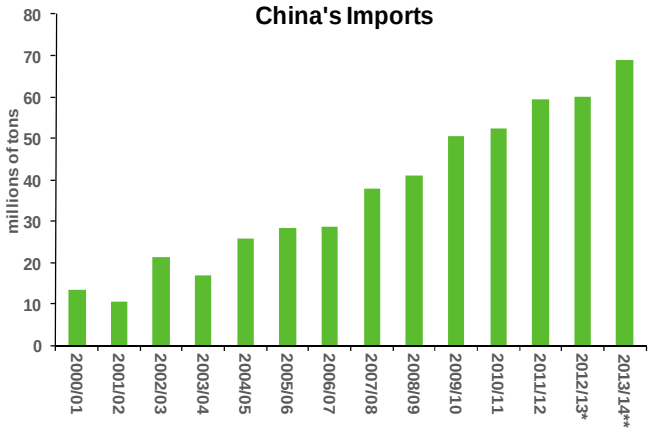
In Argentina, the USDA forecasts an increase of 3.1% in soybean planted area to 20 million hectares in the 2013/14 crop year. Growth in the soybean planted area occurred mostly at the expenses of the corn planted area. The larger planted area and recovery in yields to normal levels should boost Argentina's output to 54 million tons, for an increase of 9.5% compared to 2012/13, when the country's crop was affected by adverse weather conditions, which resulted in production of 49.3 million tons.

According to CONAB, Brazil's soybean planted area also expanded in the 2013/14 crop year and should reach 29.8 million hectares, which would represent growth of 7.4% from 27.7 million hectares in 2012/13. This expansion should occur mainly in the corn areas in the country's South, where profitability is being affected by low prices, as well as expansion into new areas, especially in the Brazilian Center-West.

Total soybean production in Brazil was estimated at 88.5 million tons for 2013/14,a according to USDA, representing a reduction of 1.5 million tons on the previous forecast, due to the irregular weather during the crop cycle. The world production should reach 285.4 million tons and world stocks should grow by 12.8 million tons to 70.6 million tons by the end of the crop year.

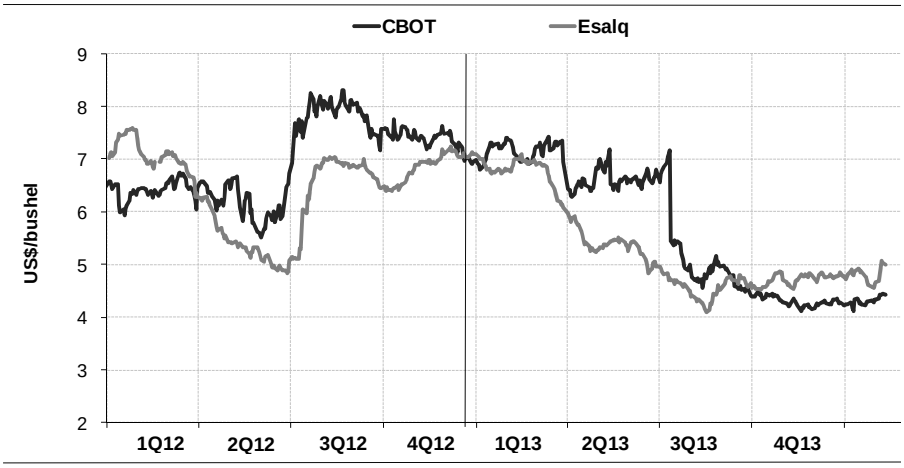
However, there is a positive trend for soybean prices due to the projected decrease in South America's production, related to the recent weather problems faced at the region and that should be present until the end of the cycle of this crop.

Another factor that has been supporting soybean prices at high levels is stronger demand, especially from China, which remains the highlight in world soybean consumption year after year. With a growing middle class and higher income levels, demand for food increases, especially the consumption of animal protein, for which soybean is a basic raw material. According to the USDA, China should import 69 million tons in 2013/14, or 15.3% more than in the prior year.



Corn

Corn Prices in the International and National Market



	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Esalq:	7.06	5.39	6.58	6.86	6.78	5.38	4.57	4.71
CBOT:	6.41	6.17	7.82	7.37	7.16	6.60	5.12	4.30

source: CBOT/ Cepea (Esalq)/ CMA

The price of corn futures contracts on the Chicago Board of Trade (CBOT) fell sharply in the second half of 2013. Higher production and stocks in the United States contributed to the 23.4% drop in spot contract quotes in 2013 in relation to 2012.

Corn prices in the domestic market, as measured by the ESALQ index published by the Luiz de Queiroz Higher Agricultural School, also declined, with prices dropping 10.8%, from US$6.48/bu in 2012 to US$5.78/bu in 2013.

The USDA estimates global corn production in the 2013/14 crop year of 967.5 million tons, an increase of 12% from 2012/13. Global corn consumption should also continue to grow in 2013/14 to reach 940.2 million tons, up 8.6% on the prior year, when demand was rationed due to higher prices. World stocks should also recover in 2013/14 to 158.5 million tons, after four years of declines.

With this scenario of higher stocks, Brazilian producers reduced the first-crop corn planted area in 2013/14 and are also expected to reduce the second-crop corn planted area. According to CONAB, the first-crop corn planted area should decrease by 5.1% (losing area to soybean, especially in the country's South). For the second crop, the scenario also points to a reduction. According to CONAB, the area should contract by 6,8%, due to the more favorable scenario for competing crops, such as cotton, wheat, sunflower and even soybean.

With this scenario of contraction in planted area, Brazil's total production should reach 75.1 million tons, decreasing 7.8% from 81.5 million tons in 2012/13.

OPERATING PERFORMANCE

2013/14

4Q13 was marked by the conclusion of planting of first-crop cotton and corn.

Soybean. Of the 185,120 hectares of soybean planted by the Company, 59,394 hectares, or 32%, were allocated to the planting of super-early and early varieties, with the objective of using the same areas to plant in second crop regime cotton, corn and sunflower. In general, weather conditions were normal, with rainfall near the historical average in most regions where the Company plants soybean, the exception being the states of Bahia and Piauí, where drought periods occurred on some farms, thus affecting the culture development. From February 12 onwards, however, the situation improved, with the return of rainfall, allowing for the recovery of the majority of areas.

Cotton 1st crop. The majority of the areas is in the flowering and cotton-boll development phase and present excellent vegetative, nutritional and sanitary aspects.

Cotton 2nd crop. The planting of the cotton 2nd crop began after the harvest of super-early soybean varieties in the first week of January and was concluded in the last week of January, within the projected period.

Corn 1st crop. Corn 1st crop was planted in November and December in the states of Maranhão, Bahia, Mato Grosso and Goiás.

Corn 2nd crop. The planting of corn 2nd crop began in the second half of January 2014, as progress was made on harvesting the super-early and early soybean varieties. Most of the farms in Mato Grosso state have already concluded the planting, whereas at the farms in Mato Grosso do Sul and Maranhão states planting should be finalized until the first week of March.

Yield

Yields (kg/ha)	Achieved 2012/13	Estimated 2013/14	Δ%
Cotton lint 1st crop	1,558	1,684	8.1%
Cotton lint 2nd crop	1,285	1,479	15.1%
Cotton Seed	1,976	2,222	12.4%
Soybean	2,640	3,240	22.7%
Corn 1st crop	7,385	10,774	45.9%
Corn 2nd crop	6,857	6,536	-4.7%

LAND DEVELOPMENT

The land bank under development remained virtually unchanged from the previous quarter. The areas that underwent changes were related to properties that concluded their licensing (SLC LandCo farms) and georeferencing processes.

Farms of SLC Agrícola	Land transformation in 2012/13 crop to be planted in 2013/14 (ha)	Areas in transformation process (ha)	Areas in licensing process (ha)
Palmares	-	-	601
Parnaíba	-	-	1,464
Parnaguá	4,000	5,115	5,347
Parceiro	-	9,162	6,698
Paineira	-	-	2,867
Sub Total	**4,000**	**14,277**	**16,977**
Farms of SLC LandCo	**Land transformation in 2012/13 crop to be planted in 2013/14 (ha)**	**Areas in transformation process (ha)**	**Areas in licensing process (ha)**
Parnaíba [(1)]	-	-	4,749
Piratini	-	-	9,993
Parceiro [(1)]	-	1,115	1,530
Sub Total	**-**	**1,115**	**16,272**
Total	**4,000**	**15,392**	**33,249**

[(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.

PLANTED AREA

The following table shows the revised forecasts for planted area in the 2013/14 crop year.

Area Mix	Planted Area 2012/13 ---------- ha	Forecast 2013/14[(1)] ----------	Share 2013/14 %	Δ%
1st crop	**230,896**	**282,935**	**82.3%**	**22.5%**
Owned Area	*123,768*	*127,880*	*37.2%*	*3.3%*
Leased Area	*75,860*	*95,144*	*27.7%*	*25.4%*
Joint Ventures Area [(2)]	-	*30,657*	*8.9%*	*n.m*
LandCo Area	*31,268*	*29,254*	*8.5%*	*-6.4%*
2nd crop	**51,577**	**61,018**	**17.7%**	*18.3%*
Owned Area	*34,241*	*39,042*	*11.4%*	*14.0%*
Leased Area	*13,804*	*16,240*	*4.7%*	*17.6%*
LandCo Area	*3,532*	*5,736*	*1.7%*	*62.4%*
Total Area	**282,473**	**343,953**	**100.0%**	***21.8%***

[(1)] Weather factors could affect the forecasts of planted area.
[(2)] Grupo Dois Vales and Mitsui

Crop Mix	Planted Area 2012/13 ---------- ha	Forecast 2013/14[(1)] ----------	Share 2013/14 %	Δ%
Cotton	**76,580**	**93,679**	**27.2%**	**22.3%**
Cotton 1st crop	*61,847*	*81,032*	*23.6%*	*31.0%*
Cotton 2nd crop	*14,733*	*12,647*	*3.7%*	*-14.2%*
Soybean	**150,778**	**185,120**	**53.8%**	**22.8%**
Corn	**49,273**	**50,430**	**14.7%**	**2.3%**
Corn 1st crop	*14,521*	*13,562*	*3.9%*	*-6.6%*
Corn 2nd crop	*34,752*	*36,868*	*10.7%*	*6.1%*
Other crops [(2)]	**5,842**	**14,724**	**4.3%**	**152.0%**
Total area	**282,473**	**343,953**	**100.0%**	***21.8%***

[(1)] Weather factors may affect the planted area forecast.
[(2)] Coffee, wheat, sunflower, corn seed,sugarcane and sorgho.

PROPERTY PORTFOLIO

We currently control the following property portfolio:

2013/14 (ha) Area		Own[1]	SLC LandCo[2]	Leased	Joint Ventures	Under Control	Total Planted Area[3]
Farm	State	ha					
Pamplona	GO	17,385	-	1,152	-	18,537	15,756
Planalto	MS	17,437	-	1,646	-	19,083	20,179
Planorte	MT	23,784	-		-	23,784	26,103
Paiaguás	MT	30,878	-	2,362	-	33,240	36,222
Parnaíba	MA	38,418	10,012	21,541	-	69,971	50,448
Planeste	MA	190	23,135	16,529	-	39,854	39,260
Panorama	BA	-	10,374	14,278	-	24,652	21,801
Piratini	BA	-	25,355	4,901	-	30,256	13,327
Palmares	BA	16,948	-	19,265	-	36,213	35,764
Parnaguá	PI	24,603	-		-	24,603	6,586
Pejuçara	MT	3,379	-	7,974	-	11,353	16,847
Paineira	PI	12,317	-		-	12,317	5,537
Parceiro	BA/PI	32,983	3,680	5,496	-	42,159	11,207
Perdizes	MT	28,837	-		-	28,837	14,259
Pioneira	MT	-	-		20,000	20,000	8,759
Paladino	BA	-	-		21,898	21,898	21,898
Total		**247,159**	**72,556**	**95,144**	**41,898**	**456,757**	**343,953**

(1) Owned areas may suffer changes due to the georeferencing process.
(2) SLC Agrícola currently owns 82.3% of SLC LandCo, while the Valiance fund owns 17.7%.
(3) Including the 2nd crop

MACHINERY AND STORAGE CAPACITY

On December 31, 2013, our machinery and storage capacity was as follows:

Machinery	Quantity	
Tractors	472	
Grain Combiners	183	
Cotton Pickers	73	
Planters	184	
Self-propelled sprayers	126	
2013/14 Storage Capacity	**Grains**	**Cotton**
Tons	567,500	115,981
% Production [1]	57%	75%

(1) Estimate based on the estimated planted area and yield for 2013/14.

JOINT OPERATIONS

Pioneira Farm – Joint venture with Grupo Soares Penido

In the 2013/14 crop year, we planted 8,759 ha of soybean on the Pioneira Farm. The harvest has already begun on this farm.

Clearing has already begun on the additional 11,241 ha that will be planted in the 2014/15 crop

year on this farm. All of the activities are in line with the operational planning.

A summarized Balance Sheet and Income Statement of this joint venture can be found in the appendix of this document.

CAPEX – Pioneira joint venture

CAPEX (R$ thd)	2013
Machinery, implements and equipment	16,707
Soil Correction	13,577
Buildings and facilities	2,425
Grains storage	11,541
Soil cleaning	7,923
Vehicles	1,609
Software	11
Others	343
Total	**54,136**

Paladino Farm – Joint venture with Mitsui & Co LTD.

In November, we concluded the planting of 11,884 ha of soybean and 10,014 ha of cotton planned for this farm. The soybean crop is in seed-filling phase and is presenting good development. For the cotton crop, the majority of areas are in flowering and cotton-boll development phase and presenting excellent vegetative and sanitary aspects.

CAPEX – Paladino joint venture

CAPEX (R$ mil)	2013
Machinery, implements and equipment	12,442
Soil Correction	1,852
Buildings and facilities	120
Soil cleaning	7
Vehicles	1,177
Others	151
Total	**15,749**

FINANCIAL ANALYSIS

EBITDA

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Net revenue	**1,118,743**	**1,181,520**	**5.6%**	**298,893**	**338,694**	**13.3%**
(-) Cost of Goods Sold	**(864,956)**	**(920,234)**	**6.4%**	**(225,679)**	**(302,247)**	**33.9%**
Gross Income	**253,787**	**261,286**	**3.0%**	**73,214**	**36,447**	**-50.2%**
(-) Sales Expenses	(67,849)	(63,991)	-5.7%	(23,927)	(20,509)	-14.3%
(-) General and administrative Expenses	(38,124)	(39,272)	3.0%	(8,131)	(11,818)	45.3%
(-) Management compensation	(8,067)	(8,457)	4.8%	(3,258)	(2,264)	-30.5%
(-) Other operating revenues	5,374	913	-83.0%	1,148	449	-60.9%
(=) Income from Activity	**145,121**	**150,479**	**3.7%**	**39,046**	**2,305**	**-94.1%**
(+) Depreciation and amortization	98,066	115,517	17.8%	26,098	28,171	7.9%
EBITDA	**243,187**	**265,996**	***9.4%***	**65,144**	**30,476**	***-53.2%***
(-) Biological Assets on revenue (note 26)	(134,331)	(146,292)	8.9%	(17,613)	(17,952)	1.9%
(+) Biological Assets on costs (note 27)	181,452	114,026	-37.2%	31,551	62,171	97.0%
Adjusted EBITDA [1]	**290,308**	**233,730**	**-19.5%**	**79,082**	**74,695**	**-5.5%**
Adjusted EBITDA Margin [2]	**29.5%**	**22.6%**	***-6.9 p.p***	**28.1%**	**23.3%**	***-4.8 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.

In 4Q13, Adjusted EBITDA was R$74,695 thousand, down 5.5% from R$79,082 thousand in 4Q12. The main variations impacting EBITDA were the higher cost of products invoiced, which was partially offset by the higher soybean and corn volumes invoiced.

Adjusted EBITDA contracted by 19.5% in 2013 compared to 2012. The decrease was impacted mainly by the increases in the unit cost of invoiced products (12.2% in cotton, 17.9% in soybean and 17.4% in corn) due to the higher production cost and lower yield compared to the 2011/12 crop year, as already mentioned in previous earnings releases in 2013.

Net Revenue

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Net Revenue	**1,118,743**	**1,181,520**	**5.6%**	**298,893**	**338,694**	**13.3%**
Cotton lint invoiced	568,020	553,635	-2.5%	222,825	228,496	2.5%
Cotton seed invoiced	58,638	83,077	41.7%	21,618	28,809	33.3%
Soybean invoiced	285,837	328,348	14.9%	20,200	42,227	109.0%
Corn invoiced	99,792	99,224	-0.6%	41,937	40,342	-3.8%
Coffee invoiced	4,672	9,145	95.7%	1,000	2,940	194.0%
Others (invoiced)	5,981	15,421	157.8%	2,638	3,367	27.6%
Hedge result	(38,528)	(53,622)	39.2%	(28,938)	(25,439)	-12.1%
Biological Assets	134,331	146,292	8.9%	17,613	17,952	1.9%

(Tons)	2012	2013	HA	4Q12	4Q13	HA
Volume Invoiced	**989,110**	**1,072,971**	**8.5%**	**259,957**	**304,623**	**17.2%**
Cotton lint	143,615	137,437	-4.3%	53,774	53,152	-1.2%
Cotton seed	185,583	159,917	-13.8%	63,264	56,691	-10.4%
Soybean	368,739	394,468	7.0%	18,848	39,908	111.7%
Corn	272,310	341,161	25.3%	116,364	139,813	20.2%
Coffee	819	1,857	126.7%	176	591	235.8%
Other	18,044	38,131	111.3%	7,531	14,468	92.1%

Net revenue in 4Q13 and 2013 was higher compared to the year-ago periods, increasing 13.3%

and 5.6%, respectively. Net revenue growth was driven by the higher soybean and corn volumes invoiced and the better sales prices for all products (except corn).

Another factor impacting net revenue in 2013 was the nominal variation of the loss in currency hedge operations of R$15,094 from the depreciation in the Brazilian real against the U.S. dollar in the period.

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Effect of Adjustment Biological Asset on Net Revenue	**134,331**	**146,292**	**8.9%**	**17,613**	**17,952**	**1.9%**
Cotton lint	17,222	102,740	496.6%	(206)	-	n.m.
Cotton seed	774	16,815	n.m.	(23)	-	n.m.
Soybean	91,604	30,315	-66.9%	19,883	17,995	-9.5%
Corn	26,797	(6,491)	n.m.	-	-	n.m.
Coffee	(2,044)	(43)	-97.9%	(2,044)	(43)	-97.9%
Other	(22)	2,956	n.m	3	-	n.m.

Biological assets are calculated as follows: market price at time of harvest, net of taxes and of selling expenses (freight), less costs incurred.

The value of adjustment of biological assets recognized under net revenue in 4Q13 did not vary significantly from that in 4Q12, and is mostly related to the recognition of soybean biological assets measured in December related to the expected margins of the product to be harvested in January.

The main factor impacting the calculation of biological assets in 2013 compared to 2012 was the higher margins for the cotton crop due to the higher prices compared to the 2011/12 crop year, which was partially offset by the reduction in the recognition of soybean biological assets (reflecting the lower yield in 2013 versus 2012).

Cost of Goods Sold

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Cost of Goods Sold	**(864,956)**	**(920,234)**	**6.4%**	**(225,679)**	**(302,247)**	**33.9%**
Cotton lint	(353,553)	(379,091)	7.2%	(142,653)	(160,737)	12.7%
Cotton seed	(47,444)	(58,920)	24.2%	(16,603)	(21,678)	30.6%
Soybean	(205,570)	(259,742)	26.4%	(6,955)	(17,789)	155.8%
Corn	(62,811)	(90,679)	44.4%	(21,073)	(32,328)	53.4%
Coffee	(7,406)	(3,392)	-54.2%	(4,938)	(2,154)	-56.4%
Other	(6,720)	(14,384)	114.0%	(1,906)	(5,390)	182.8%
Biological Assets Allocated at Cost	(181,452)	(114,026)	-37.2%	(31,551)	(62,171)	97.0%

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Biological Assets Allocated at Cost	**(181,452)**	**(114,026)**	**-37.2%**	**(31,551)**	**(62,171)**	**97.0%**
Cotton lint	(66,084)	(64,187)	-2.9%	(6,875)	(41,201)	499.3%
Cotton seed	(6,154)	(15,730)	155.6%	(2,159)	(6,562)	203.9%
Soybean	(80,711)	(32,480)	-59.8%	(5,126)	(12,276)	139.5%
Corn	(27,172)	5,961	n.m.	(15,331)	(473)	-96.9%
Coffee	(1,316)	(6,390)	385.6%	(2,075)	(1,016)	-51.0%
Other	(15)	(1,200)	n.m	15	(643)	n.m

Cost of goods sold increased 33.9% in 4Q13 compared to 4Q12, mainly due to the higher recognition of biological assets under costs (nominal increase of R$30,620 thousand), particularly in cotton, reflecting the biological assets previously recognized under net revenue over the course of the year. Furthermore, the volume of soybean and corn invoiced increased, while the unit cost of all products increased as well, mainly due to the lower yield caused by the drought that affected certain farms.

Excluding the impacts of biological assets, cost of goods sold increased 18% from 2012, mainly due to the higher production costs and to the higher volumes of soybean and corn invoiced.

Analysis of Margins by Crop

Cotton Invoiced		2012	2013	HA	4Q12	4Q13	HA
Cotton Lint Invoiced							
Volume Invoiced	Ton	143,615	137,437	-4.3%	53,774	53,152	-1.2%
Net Revenue	R$ thousand	568,020	553,635	-2.5%	222,825	228,496	2.5%
Unit Price	R$ thd / Ton	3.96	4.03	1.8%	4.14	4.30	3.9%
Cost Total	R$ thousand	(353,553)	(379,091)	7.2%	(142,653)	(160,737)	12.7%
Unit Cost	R$ thd / Ton	(2.46)	(2.76)	12.2%	(2.65)	(3.02)	14.0%
Unitary Margin	R$ thd / Ton	1.50	1.27	-15.3%	1.49	1.28	-14.1%
Cotton Seed Invoiced							
Volume Invoiced	Ton	185,583	159,917	-13.8%	63,264	56,691	-10.4%
Net Revenue	R$ thousand	58,638	83,077	41.7%	21,618	28,809	33.3%
Unit Price	R$ thd / Ton	0.32	0.52	62.5%	0.34	0.51	50.0%
Cost Total	R$ thousand	(47,444)	(58,920)	24.2%	(16,603)	(21,678)	30.6%
Unit Cost	R$ thd / Ton	(0.26)	(0.37)	42.3%	(0.26)	(0.38)	46.2%
Unitary Margin	R$ thd / Ton	0.06	0.15	150.0%	0.08	0.13	62.5%

Cotton lint unit margin in 4Q13 decreased 14.1% from same period last year. In 2013, unit margin declined as well, by 15.3% compared to 2012. In both comparisons, unit cost increased due to the lower yield caused by the extended rainy season at the end of the crop cycle, which led some cotton bolls to rot, as already mentioned throughout 2013.

The unit margin of cotton seed invoiced in 4Q13 increased 62.5% compared to 4Q12. In 2013, margin was 150.0% higher than in 2012, basically due to the increase in price (62.5%) resulting from the product's shortage in the domestic market.

Soybean Invoiced		2012	2013	HA	4Q12	4Q13	HA
Volume Invoiced	Ton	368,739	394,468	7.0%	18,848	39,908	111.7%
Net Revenue	R$ thousand	285,837	328,348	14.9%	20,200	42,227	109.0%
Unit Price	R$ thd / Ton	0.78	0.83	6.4%	1.07	1.06	-0.9%
Cost Total	R$ thousand	(205,570)	(259,742)	26.4%	(6,955)	(17,789)	155.8%
Unit Cost	R$ thd / Ton	(0.56)	(0.66)	17.9%	(0.37)	(0.45)	21.6%
Unitary Margin	R$ thd / Ton	0.22	0.17	-22.7%	0.70	0.61	-12.9%

Soybean invoiced in 4Q13 registered negative unit margin of 12.9% compared to 4Q12, mainly reflecting the 21.6% increase in unit cost resulting from the reduction in yield.

In 2013 compared to 2012, unit margin decreased by 22.7%. The soybean crop was adversely affected by the drought in the 2012/13 crop year during the months from December to February 2013 in the states of Bahia, Piauí and Goiás, which affected yield and increased unit cost.

Corn Invoiced		2012	2013	HA	4Q12	4Q13	HA
Volume Invoiced	Ton	272,310	341,161	25.3%	116,364	139,813	20.2%
Net Revenue	R$ thousand	99,792	99,224	-0.6%	41,937	40,342	-3.8%
Unit Price	R$ thd / Ton	0.37	0.29	-21.6%	0.36	0.29	-19.4%
Cost Total	R$ thousand	(62,811)	(90,679)	44.4%	(21,073)	(32,328)	53.4%
Unit Cost	R$ thd / Ton	(0.23)	(0.27)	17.4%	(0.18)	(0.23)	27.8%
Unitary Margin	R$ thd / Ton	0.14	0.02	-85.7%	0.18	0.06	-66.7%

Corn unit margins in 4Q13 and in 2013 were down from the prior-year periods, mainly due to

the reduction in unit price (of around 20%) and increase in unit cost (17.4% in 2013), the latter caused by the drought suffered by some of the Company's farms.

Production Cost

The percentage composition of our total production cost is shown below:

%	Cotton	Soybean	Corn	Avg. 2013/14	Avg. 2012/13
Variable Costs	**78**	**70**	**80**	**71**	**74**
Seeds	5	8	20	6	7
Fertilizers	22	21	33	21	23
Defensives	26	23	11	22	23
Air Spraying	2	1	2	2	2
Fuels and lubricants	4	4	3	4	4
Labor	1	1	1	1	1
Ginning	8	5	5	7	6
Maintenance of machines and instruments	4	4	3	4	4
Others	6	3	2	4	4
Fixed Costs	**22**	**30**	**20**	**29**	**26**
Labor	9	9	7	10	10
Depreciations and amortizations	8	15	8	13	11
Leasing	3	4	3	3	3
Others	2	2	2	3	2

Our estimated total production cost per hectare in the 2013/14 crop year is as follows:

Total Production Cost (R$/ha)	Achieved 2012/13	Initially estimated 2013/14 (1)	Δ%
Cotton 1st crop	5,474	5,484	0.2%
Cotton 2nd crop	4,183	4,198	0.4%
Soybeans	1,770	2,084	17.7%
Corn 1st crop	2,737	2,902	6.0%
Corn 2nd crop	1,324	1,570	18.6%

(1) As of December 31, 2013. Amounts may change until the end of the cotton benefitting process and grains commercialization.

For the 2013/14 crop year, we estimate an increase of 9.5% in production cash cost per hectare in relation to the 2012/13 crop year. This variation should be influenced primarily by the higher cost of seeds, fertilizers and chemicals, which is explained by the depreciation in the Brazilian real against the U.S. dollar, and by inflation.

Gross Income

In 4Q13, gross income decreased 50.2% from 4Q12, mainly due to the gross margin compression in all crops, as explained above.

In 2013, gross income increased 3.0% from 2012. The main impact in the period was the difference in biological assets attributed to cost (nominal reduction of R$67,426 thousand in 2013), which was offset by the reduction in margins for invoiced products.

Selling Expenses

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Freight	39,064	33,274	-14.8%	14,705	11,519	-21.7%
Storage	9,994	10,898	9.0%	2,189	2,158	-1.4%
Commissions	2,779	4,118	48.2%	374	553	47.9%
Classification of Goods	1,583	1,316	-16.9%	755	835	10.6%
Export Expenses	12,975	13,636	5.1%	5,463	5,116	-6.4%
Others	1,454	749	-48.5%	441	328	-25.6%
Total	**67,849**	**63,991**	**-5.7%**	**23,927**	**20,509**	**-14.3%**
% Net Revenue	**6.1%**	**5.4%**	***-0.7 p.p***	**8.0%**	**6.1%**	***-1.9 p.p***

Selling expenses decreased 14.3% in the quarter and 5.7% in the year, mainly due to freight expenses associated with the corn crop, which this year was sold primarily on an “at the farm gate” basis.

General and Administrative Expenses

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Expenses with personnel	13,923	14,764	6.0%	2,637	4,066	54.2%
Fees	4,073	3,608	-11.4%	927	773	-16.6%
Depreciations and amortizations	2,974	2,832	-4.8%	535	716	33.8%
Expenses with travels	1,567	1,406	-10.3%	368	428	16.3%
Software maintenance	2,206	2,341	6.1%	577	647	12.1%
Marketing/Advertisement	1,220	1,408	15.4%	337	472	40.1%
Expenses with communications	1,871	1,909	2.0%	429	448	4.4%
Rentals	583	574	-1.5%	134	158	17.9%
Labor, tax, environmental contingencies	763	(475)	n.m	157	541	244.6%
Electricity	165	93	-43.6%	19	24	26.3%
Taxes and other fees	529	484	-8.5%	(74)	31	n.m
Contribuitions and donations	910	943	3.6%	403	499	23.8%
Other	3,429	2,095	-38.9%	1,566	849	-45.8%
Subtotal	**34,213**	**31,982**	-6.5%	**8,015**	**9,652**	20.4%
Provision for profit share program	3,911	7,290	86.4%	116	2,166	n.m.
Total	**38,124**	**39,272**	3.0%	**8,131**	**11,818**	45.3%
% Net Revenue	**3.4%**	**3.3%**	***-0.1p.p***	**2.7%**	**3.5%**	***0.8 p.p***

In 4Q13, excluding the impact from the employee profit sharing program, general and administrative expenses increased 20.4% from 4Q12. The increase was led by Personnel Expenses (due to the growth in headcount, the wage increases in May under the collective bargaining agreement and the change in the allocation of stock options) and by higher Tax, Labor and Environmental Contingencies. Including the amounts related to the profit sharing program, general and administrative expenses increased 45.3% in 4Q13.

For the year 2013, also excluding the impact from the profit sharing program (which increased as a direct result of the higher net income for the period), general and administrative expenses fell by 6.5%, despite the growth in headcount to meet the expansion in planted area and the wages increases in May under the collective bargaining agreement. The decrease is explained mainly by the variations in Tax, Labor and Environmental Contingencies (due to the reversal of certain contingencies in 2013) as well as the savings in various items, such as Outsourcing and Travel Expenses. Including the impact from the profit sharing program, general and administrative expenses increased 3% in 2013.

Net Financial Result

(R$ thd)	2012	2013	HA	4Q12	4Q13	HA
Revenues (expenses) with derivatives	3,966	2,097	-47.1%	1,467	725	-50.6%
Interest	(32,603)	(38,268)	17.4%	(9,257)	(12,711)	37.3%
Monetary variation	(45,400)	17,748	n.m	32,679	4,590	-86.0%
FX variation	4,827	(3,257)	n.m	994	(1,554)	n.m
Other financial revenues (expenses)	(3,380)	(3,215)	-4.9%	(379)	(1,027)	171.0%
Total	**(72,590)**	**(24,895)**	**-65.7%**	**25,504**	**(9,977)**	**n.m**
% Net Revenue	**-6.5%**	**-2.1%**	***4.4 p.p***	**8.5%**	**-2.9%**	***-11.4 p.p***

The net financial result in both the quarter and year was impacted mainly by monetary variation.

In 4Q13, monetary variation came to R$4,590 thousand (R$32,679 thousand in 4Q12), due to the sharper decline in the soybean price in Brazilian real in 4Q12, which impacted the marking to market of the Company's debt pegged to the commodity's price in Brazilian real.

In 2013, monetary variation was R$17,748 thousand (negative R$45,400 thousand in 2012), which is explained by the sharp increase in the price of soybean observed in 2012, which compares to the sharp decrease observed in 2013.

Net Income

We ended 2013 with net income of R$96,603 thousand, which is 151.4% higher than in 2012. The main impacts on net income in the year were:

(i) the 3.0% increase in gross income, as explained above;
(ii) the improvement of R$47,695 thousand in the net financial expense, which was mainly impacted by the monetary variation of debt and accounts receivable marked to market and denominated in soybean bags;
(iii) the reduction at the aliquot for income and social contribution (IRPJ/CSLL) tax to 23% in 2013, given that certain subsidiaries of the Company are taxed under the presumed profit regime.

In 4Q13, we recorded a net loss of R$1,726 thousand (net income of 50,846 thousand in 4Q12). The main factors contributing to this variation are described below:

(i) the lower margins for all products, mainly due to the higher unit cost not being fully offset by price increases;
(ii) the decrease of R$35,481 thousand in the net financial result;
(iii) which were partially offset by the increase in deferred tax related to the tax loss in the period.

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 comprised basically of non-deliverable forwards (NDFs) and option contracts.

In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established 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 marking to market of future, swap and option transactions are recorded under financial income (expense).

The hedge position on February 28th , 2014 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:

	2014		2015	
FX Rate	**Hedge (%)**	**R$ / US$**	**Hedge (%)**	**R$ / US$**
FX Hedge	62.3	2.3600	7.3	2.6190
Commitments[1]	8.4	1.6893	5.2	1.7006
Total	**70.7**	**2.2803**	**12.5**	**2.2340**
Cotton	**Hedge (%)**	**US¢ / Pound[2]**	**Hedge (%)**	**US¢ / Pound[2]**
Commercial Hedge	70.6	88.9	1.7	89.3
Financial Hedge[4]	-	-	-	-
Cotton- Total Hedge	**70.6**	**88.9**	**1.7**	**89.3**
Soybean	**Hedge (%)**	**US$ / bushel[2]**	**Hedge (%)**	**US$ / bushel[2]**
Commercial Hedge	57.8	13.04	-	-
Financial Hedge[4]	2.5	13.50	-	-
Commitments[3]	6.0	-	-	-
Soybean – Total Hedge	**66.3**	**13.06**	**-**	**-**

[1] Commitments with debt payments in US$

[2] FOB Port (Prices in our production units are still influenced by transportation expenses).

[3] Natural Hedge with payments of properties and leasing

[4] Includes swap operations and accumulators. In soybeans this tool sets up an upper limit and a lower limit, so the contracted volume is divided into equal daily fractions until the due date. If the market price fits between the lower limit and upper limit, a fraction is sold at the upper limit; if it closes above the upper limit, two fractions are set that day; and if it closes below the lower limit nothing is fixed that day. The lower limit is of US$/bushel 10.89 and the upper limit is of US$/ bushel 13.51. Future Price reference in 02/28/2013: Soybean 2014: 14.14.

Property, plant and equipment / Intangible assets

CAPEX (R$ thd)	2012	AV	2013	AV	4Q13	AV
Machinery, implements and equipment	52,265	32.8%	75,213	30.9%	25,295	25.3%
Land acquisition	1,950	1.2%	53,468	21.9%	28,426	11.7%
Soil correction	51,638	32.4%	44,712	18.3%	20,940	8.6%
Buildings and facilities	16,553	10.4%	15,624	6.4%	5,138	2.1%
Cotton ginning plant	6,654	4.2%	917	0.4%	294	0.1%
Grains storage	6,373	4.0%	22,200	9.1%	10,903	4.5%
Soil cleaning	13,011	8.2%	19,292	7.9%	5,160	2.1%
Vehicles	6,758	4.2%	7,694	3.2%	2,661	1.1%
Software	534	0.3%	736	0.3%	236	0.1%
Biological assets	-	0.0%	1,018	0.4%	(32)	0.0%
Others	3,398	2.1%	2,904	1.2%	927	0.4%
Total	**159,134**		**243,778**		**99,948**	

The main investments in 2013 were:

- The acquisition of agricultural machinery and tools primarily an equipments for the new planted areas located on the Parnaíba, Planeste, Pioneira, Paladino and Palmares farms. These acquisitions comprised the following: 56 tractors, 35 grain harvesters, 3 cotton harvesters, 29 planters and 30 sprayers;

- Soil correction of R$44,712 thousand at all 16 units, led by the farms Pioneira (30.4% of total), Parnaguá (19.4% of total), Parnaíba (9.0% of total), and Perdizes (7.8% of total);

- Clearing of land amounting to R$19,292 thousand, led by the farms (Pioneira (41.7% of total), Parnaguá (27.5% of total) and Parceiro (24.5% of total).

Net Financial Debt

(R$ thd)	Currency	Annual Average Interest Rat (%) 12/31/2013	12/31/2012	Consolidated 12/31/2013	12/31/2012
Applied in Fixed Assets					
Finame – BNDES	Pré and TJLP	**5.42%**	6.31%	**123,880**	37,026
Constitutional Funds [1]	Pré	**7.38%**	7.29%	**56,776**	90,984
Financing Investments	US$ + Libor	**5.54%**	5.74%	**18,961**	21,276
				199,617	149,286
Applied in Working Capital					
Rural Credit	Pré	**6.99%**	6.11%	**307,311**	174,743
Constitutional Funds [1]	Pré	**7.23%**	7.23%	**136,981**	29,198
Working Capital	Pré	**12.16%**	8.31%	**65,738**	90,162
External Loans	CDI	**10.77%**	-	**100,085**	-
External Loans	US$, Libor+Pré	**3.92%**	4.05%	**360,557**	367,471
		6.51%	5.59%	**970,672**	661,574
Total Indebtedness				**1,170,289**	810,860
(-) Cash				**392,977**	157,246
(=) Net Debt				**777,312**	653,614
Net Debt/ Adjusted EBITDA				**3.33x**	2.25x
Net Debt/NAV				**25.3%**	**24.4%**

[1] To calculate the average cost of the Constitutional Funds, we considered a discount of 15% relative to the performance bonus applicable to these operations.

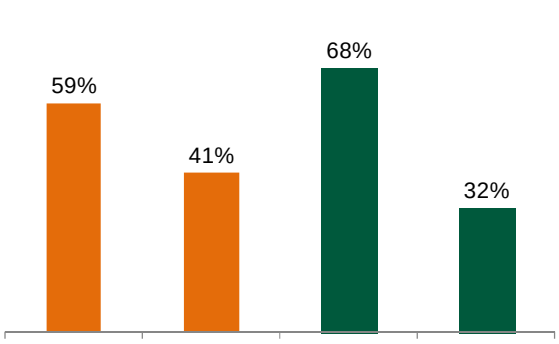
Net debt at the end of 2013 increased by 18.9% to R$777,312 thousand, from R$653,614 thousand at the end of 2012. The main variations were in the line Rural Credit, with new loans contracted from Banco do Brasil and the substitution of R$140,000 thousand in short-term debt by funding maturing in three years contracted from HSBC and Santander with the aim of lengthening the Company's debt maturity profile.

The Net Debt/EBITDA ratio increased from 2.25 times to 3.33 times in the period, reflecting the higher net debt and the reduction in EBITDA in the last 12 months.

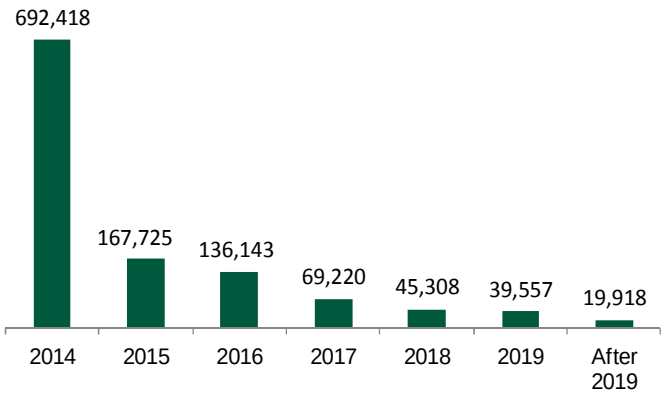
The Net Debt/Net Asset Value ratio, however, increased to 25.3%, compared to 24.4% in 4Q12.

The exchange variation associated with dollar-denominated debt was recognized in accordance with the hedge accounting methodology.

4Q13 Debt Profile (%)



4Q13 Debt Schedule (R$ thd)



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.

Return on Equity

(R$ million)	2009	2010	2011	2012	2013
Net Profit	9	59	160	38	97
Net Land Appreciation SLC Agricola[1]	163	-36	179	222	313
Net Land Appreciation LandCo[2]	-	-	-	48	61
Subtotal	**172**	**23**	**339**	**308**	**471**
Shareholder's Equity[3]	1,807	1,839	2,063	2,405	2,960
Return-on-equity	**9.5%**	**1.3%**	**16.4%**	**12.8%**	**15.9%**

(1) Based on the independent appraisal report (Deloitte), net of taxes.
(2) SLC Agrícola owns 82.28% of SLC LandCo shares.
(3) Adjusted by the land appreciation.

Net Asset Value

(R$ million)	2013
SLC Agrícola Farms[1]	1,993
LandCo Farms[2]	416
LandCo Aquisitions not included at Deloitte's Appraisal[3]	11
Infrastructure (excl. land)	830
Accounts Receivable (excl. derivatives)	80
Inventories	515
Biological Assets	378
Cash [4]	376
Subtotal	***4,600***
Suppliers	236
Gross Debt [5]	1,170
Outstanding debt related to land acquisitons	121
Subtotal	***1,527***
Net Asset Value	**3,072**
Net Asset Value per Share	**31.1**

(1) Based on the independent appraisal report (Deloitte), net of taxes.
(2) Based on the independent appraisal report (Deloitte), net of taxes, and adjusted by the interest held by SLC Agrícola in the subsidiary.
(3) Acquisition price, net of taxes.
(4) Includes the cash position of SLC LandCo, which is adjusted by the interest held by SLC Agrícola in the subsidiary.
(5) Includes the debt position of SLC LandCo, which is adjusted by the interest held by SLC Agrícola in the subsidiary.

Return on Net Assets

(R$ million)	2009	2010	2011	2012	2013
Net Profit	9	59	160	38	97
Net Land Appreciation [1]	163	(36)	179	270	374
Subtotal	**172**	**23**	**339**	**308**	**471**
Net Assets + WC	2,566	2,599	3,196	3,634	4,162
Working Capital	434	395	504	626	641
Net Assets[2]	2,132	2,203	2,692	3,007	3,472
Return	**6.7%**	**0.9%**	**10.6%**	**8.5%**	**11.4%**

(1) Based on the independent appraisal report (Deloitte), net of taxes.
(2) Adjusted by land appreciation.

Changes in Working Capital

Changes in Working Capital (R$ mil)	4Q12	1Q13	2Q13	3Q13	4Q13
Assets					
Trade accounts receivable	101,879	88,753	97,054	165,076	85,334
Hedge Accounting + Inventory Adjustment (non-cash)	*(6,912)*	*(8,111)*	*(6,096)*	*(8,129)*	*(5,278)*
Inventories	407,819	288,029	319,916	516,921	514,819
Biological Assets + (non-cash)	*(9,950)*	*(29,571)*	*(19,697)*	*(59,839)*	*(42,280)*
Recoverable Taxes	77,159	80,376	92,185	84,898	78,361
Biological Assets	303,404	388,817	431,887	273,032	378,481
Biological Assets (non-cash)	*(24,975)*	*14,033*	*(63,369)*	*(50,265)*	*(27,009)*
Expenses incurred in advance	10,405	10,358	16,685	4,603	3,793
Subtotal	**858,829**	**832,684**	**868,565**	**926,297**	**986,221**
Liabilities					
Suppliers	137,758	53,397	99,773	121,856	236,217
Tax and Social Obligations	21,024	32,217	41,010	24,255	27,480
Others	176,773	257,680	230,078	201,237	223,444
Land Payables	(95,283)	(81,156)	(101,894)	(97,737)	(126,494)
Hedge Accounting (non-cash)	(20,058)	(15,102)	(32,633)	(22,169)	(31,433)
Provisions	12,249	11,600	13,868	17,789	16,187
Subtotal	**232,463**	**258,636**	**250,202**	**245,231**	**345,401**
Total	**626,366**	**574,048**	**618,363**	**681,066**	**640,820**
Change in WC	**-8,851**	**-52,318**	**44,315**	**62,703**	**-40,246**

Return on Invested Capital

(R$ million)	2009	2010	2011	2012	2013
Operating Income	11	126	257	145	150
Taxes (%)	20.5%	30.1%	33.7%	49.8%	23.1%
Taxes (nominal)	(2)	(38)	(87)	(72)	(35)
Adjusted Operating Income	9	88	170	73	116
Net Land Appreciation[1]	163	(36)	179	270	374
Operating Income w/ land appreciation	**172**	**52**	**349**	**343**	**490**
Invested Capital	**2,125**	**2,179**	**2,572**	**3,059**	**3,753**
Gross Debt (short and long term)	*461*	*450*	*640*	*811*	*1,170*
Cash [2]	*142*	*110*	*131*	*157*	*376*
Net Debt [3]	*318*	*339*	*510*	*654*	*794*
Shareholder's Equit[4]	*1,807*	*1,839*	*2,063*	*2,405*	*2,960*
Returno n Invested Capital	**8.1%**	**2.4%**	**13.6%**	**11.2%**	**13.1%**

[1] Based on the independent report by Deloitte, net of taxes.
[2] Includes the cash position of SLC LandCo, which is adjusted by the interest held by SLC Agrícola in the subsidiary.
[3] Includes the debt position of SLC LandCo, which is adjusted by the interest held by SLC Agrícola in the subsidiary.
[4] Adjusted by appreciation of land value as from 2010.

HUMAN RESOURCES

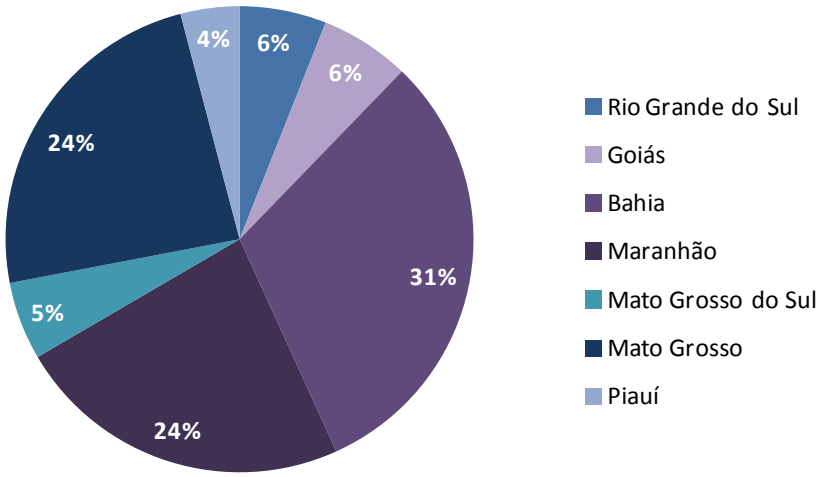


As a company in constant evolution, engaging and developing people are part of the corporate DNA of SLC Agrícola. With over 2,700 employees, communication and trust form the foundation of all of our activities.

We value our employees by offering a comprehensive benefit package, a profit sharing program, a career advancement plan, continuous education, workplace safety, recognition of employees for years of service and encouraging workers to look after their quality of life.

We also promote social responsibility through the Social Action Group, which sponsors programs to foster citizenship and volunteer action with environmental and social themes in order to improve conditions in local communities by working together with charitable institutions to prepare campaigns and develop projects.

The following chart shows the distribution in our employees by state:



We take this opportunity to thank all of our employees for their partnership over the course of yet another year of hard work.

SOCIAL RESPONSIBILITY (ENVIRONMENT AND SUSTAINABILITY)



Environmental Policy and Management

Respect for the environment is one of the fundamental commitments of the activities of SLC Agrícola, which combines the use of cutting-edge agricultural techniques with the adoption of practices to preserve the environment. We also conduct actions in local communities to raise awareness among our employees and their family members on the problems that the inefficient use of natural resources can cause.

Environmental, Social and Occupational Management System

For more than six years, we have adopted the use of an Integrated Management System (IMS) that features compliance with the international standards ISO 14001:2004, OHSAS 18001:2007 and the Brazilian standard NBR 16001:2004. The activities of the IMS include addressing issues that go beyond mere legal compliance to focus on aspects related to the Environment, Occupational Health and Safety and Social Responsibility. The system has been implemented at the Planalto Farm (Mato Grosso do Sul) and is currently in the final stage of implementation at the Paiaguás (Mato Grosso), Pamplona (Goiás), Planorte (Mato Grosso) and Panorama (Bahia) farms. Practices linked to this management system are being complied with by the employees, suppliers and outsourced service providers at these units. The plan is to extend the implementation of this system to the other production units of the Company, with the process expected to be concluded at 10 units by year-end 2018. In 2012, the Planalto Farm became the first agricultural company to be simultaneously certified by the international standards 14001:2004 and OHSAS 18001:2007 and by the Brazilian standard NBR 16001:2004. SLC Agrícola's sustainable production practices are also demonstrated by the agricultural production certifications that it holds, which include those for soybean (RTRS), cotton (BCI and ABR) and coffee (UTZ Certified).

Care for the Environment - Good agricultural practices

Soil conservation - Direct Seeding

The Direct Seeding Mulch-Based Cropping System (DMC) is soil management system in which straw and crop residue are left on the surface. The soil is tilled only in the furrows where the seeds and fertilizers are deposited, with no further soil preparation other than creation of the planting furrows. Weeds are controlled through the use of herbicides. The Company believes that the practice of crop rotation and integrated management of pests, diseases and weeds are fundamental to the system's success. The main benefits of this system are reduced soil erosion, better soil properties and fertility, higher levels of organic matter, nutrients and water stored in the soil and lower fuel consumption with no change in crop yields. The adoption of DMC techniques demonstrates the Company's growing concern with sustainability in its agricultural operations, given the reduction in environmental impacts.

Integrated Pest and Disease Management (IPM/IDM)

The improper and abusive use of pesticides and herbicides can lead to increased levels of resistance in insects, pathogens and plants. This leads to the more frequent applications of chemicals, higher doses as well as the possibility of the product ultimately losing its efficiency. The Company believes it is important to manage its crops properly in order to prevent ecologic imbalances and higher production costs. To ensure that its crops are effectively managed while also preventing, retarding and/or reversing the problem of resistance to chemicals, we adopt the practice of Integrated Pest and Disease Management (IPM/IDM). Integrated management is conducted by agricultural technicians who are trained in identifying pests, diseases and weeds that can adversely affect crops. IPM currently has a new management system called Gatec through which managerial data can be viewed online by technicians.

Currently in the implementation phase, this georeferenced IPM tool enables the localization of pests in the field using the Global Positioning System (GPS). Information is imputed into the system, which then create maps that recommend viable pest control actions, i.e. spraying insecticide only where pest rates indicate they are needed. The Company expects the adoption of this tool to reduce its use of insecticides.

Waste Management Plan

A recycling program was implemented at the headquarters of the SLC group over seven years ago. Waste is separated where it is generated, i.e. the employees themselves separate materials into the appropriate containers distributed strategically throughout the work environment. All recyclable materials (plastic, paper and metal) are sold and the funds are invested in social and environmental education projects conducted by a sponsored organization. At the Company's production units, which include all farms, waste separation is performed in the same way; however, in this case the recyclable materials are sold to recycling plants, while non-recyclable materials are sent for treatment.

5S Program

Actions to raise environmental awareness involve all of the Company's employees as well as their family members, and include lectures or seminars and environmental education classes at schools to encourage the adoption of the 5S phases along with the 3 R's (Reduce, Reuse and Recycle waste). The projects aim to demonstrate the importance of preserving the environment, as well as the simplicity of the methods adopted and the returns generated. 5S is a method for organizing the workplace. The letter “S” in 5S term comes from Japanese and relates to the following words: SEIRI – Sort: eliminate all unused and obsolete objects; SEITON – Streamline: arrange things in their proper places with a view to increasing efficiency; SESIO – Cleanliness: keep the environment clean and conduct regular maintenance; SEIKETSU – Hygiene and Workplace Safety: practice safe acts and maintain good relationships in the work environment; SHITSUKE - Discipline: adopt the other S phases as a regular routine.

DIVIDENDS

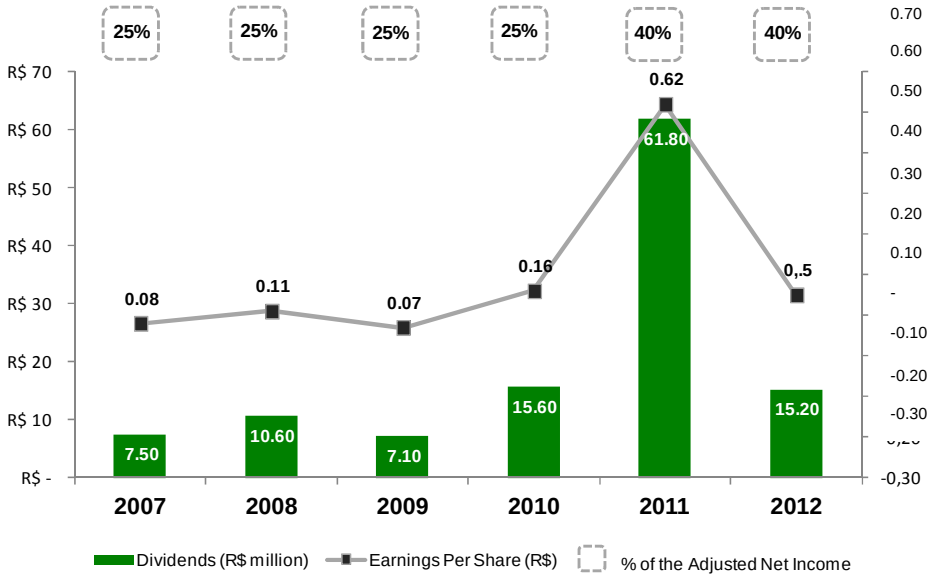
A meeting of the Board of Directors held on this date (03/12/2014) approved the Management Proposal to be submitted to the next Annual Shareholders' Meeting to be held on April 16, 2014.

In accordance with Brazilian Corporation Law and with the Bylaws of the Company, management proposes the following distribution of net income for fiscal year 2013:

(R$ thd	2013	(1)2012
Net income for the year	**95,573**	38,105
Appropriation of legal reserve	**-**	-
Calculation base for the dividends proposed	**95,573**	38,105
Minimum compulsory dividend	**23,893**	9,526
Additional dividend proposed	**14,336**	5,716
Proposed dividens	**38,229**	15,242
% on the basis	**40%**	40%

(1) *Calculation of dividends distributed for fiscal year 2012.*

The chart below shows the historical distribution of dividends by the Company



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CAPITAL MARKETS

SLC Agrícola has been listed on the Novo Mercado special corporate governance segment since 2007, complying with and gradually improving its best practices in corporate governance. Some of the practices adopted by the Company and that are enjoyed by our shareholders follow:

- All shares entitle stockholders to the right to vote;
- 100% tag-along rights;
- 49% free-float;
- Three independent members on the Board of Directors;
- Separation of the roles of Chief Executive Officer and Chairman of the Board;
- Stock Option Plan to align the interests of executives with those of the Company;
- Transparency and efficiency in the disclosure of special and regular information;
- Public annual meeting;
- Annual Farm Day event;
- Website with information regularly updated to serve the needs of our investors and the general market;
- Investor Relations Department focused on serving shareholders and the general market.

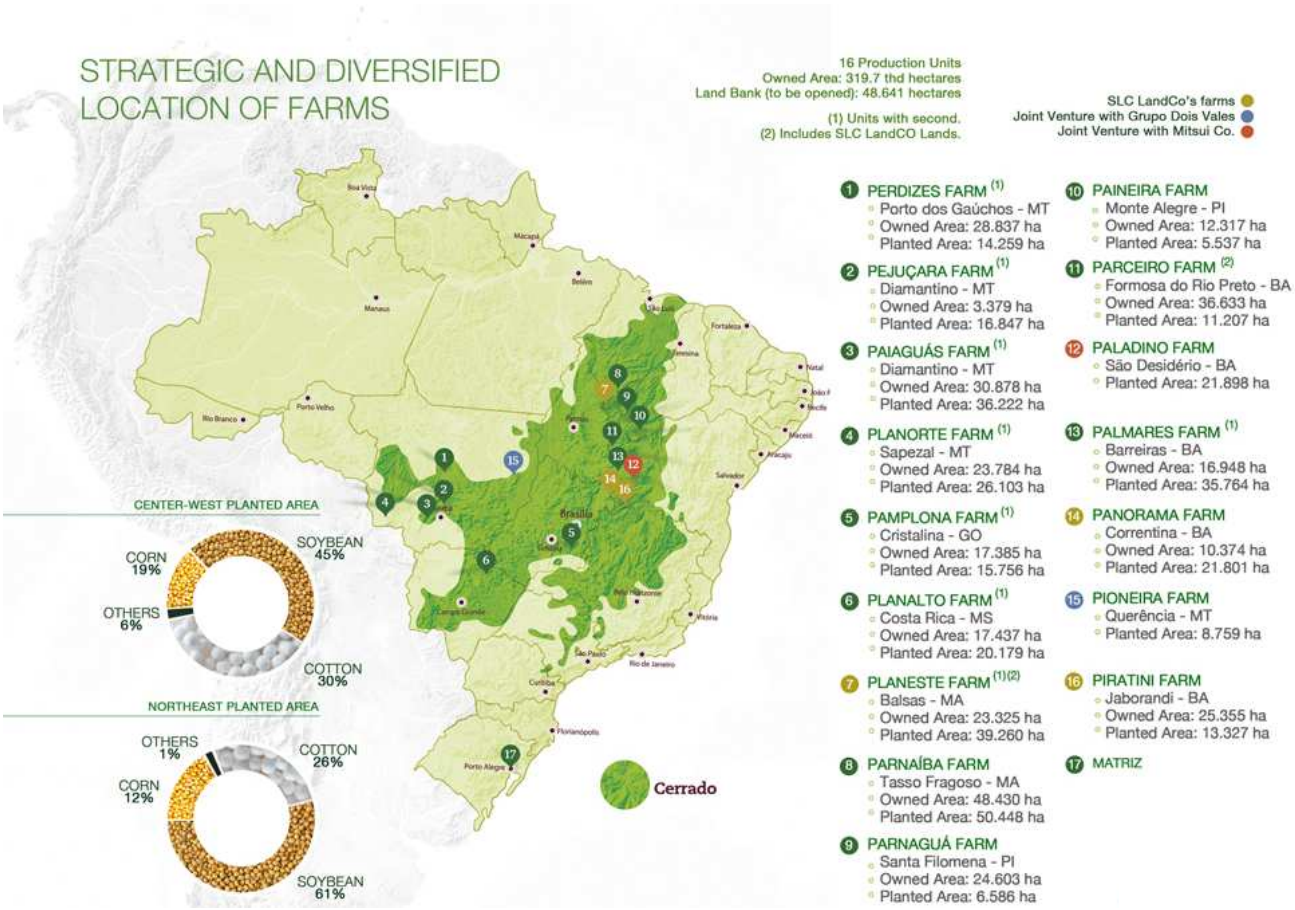
SUBMISSION TO THE ARBITRATION CHAMBER

The Company submits to arbitration by the Novo Mercado Arbitration Chamber, as per the arbitration clause in its Bylaws.

RELATIONSHIP WITH THE INDEPENDENT AUDITORS

KPMG Auditores Independentes was hired by the Company to conduct the external audit of its financial statements. In compliance with CVM Instruction 381/03, we inform that in 2013 the audit firm did not provide services other than those related to the external audit whose fees exceeded 5% of the total fees received for this service.

LOCATION OF UNITS



AGRICULTURAL WEIGHT UNITS AND MEASURES

1 ton	1,000 kg
1 kg	2.20462 lb
1 lb	0.45359 kg
1 acre	0.40469 hectares
1 acre	0.1840 bushel
1 hectare (ha)	2.47105 acres
1 hectare (ha)	10,000 m²
1 bushel	5.4363 acres

Soybeans and Wheat

1 bushel of soybean	60 lb	27.2155 kg
1 bag of soybean	60 kg	2.20462 bushels
1 bushel/acre	67.25 kg/ha	
1.00 US$/bushel	2.2046 US$/bag	

Corn

1 bushel of corn	56 lb	25.4012 kg
1 bag of corn	60 kg	2.36210 bushels
1 bushel/acre	62.77 kg/ha	
1.00 US$/bushel	2.3621 US$/bag	

Cotton

1 bale	480 lb	217.72 kg
1 arroba	14.68 kg*	

Coffee

1 bag of coffee	60 kg	132.28 lb
1.00 US¢/lb	1.3228 US$/bag	

BALANCE SHEET

At December 31, 2013 and 2012

In thousands of Reais

		Parent company		Consolidated	
Assets	**Note**	**2013**	**2012**	**2013**	**2012**
Current assets					
Cash and bank deposits	6	82,284	30,799	232,354	143,888
Short-term interest earnings bank deposits	6	63,363	13,358	160,623	13,358
Trade accounts receivable	7	38,520	36,549	62,438	55,271
Advances to suppliers		1,168	21,323	2,550	25,265
Inventories	8	325,083	249,137	514,819	407,819
Biological assets	9	206,933	176,797	378,481	303,404
Recoverable taxes	10	54,362	45,972	78,361	77,159
Accounts receivable		10,314	9,756	10,314	9,756
Operations with derivatives	21	4,500	6,534	5,278	6,912
Related party credits	13	12,551	11,802	-	-
Other accounts receivable		16,574	5,101	4,754	4,675
Prepaid expenses		3,513	10,010	3,793	10,405
Total current assets		819,165	617,138	1,453,765	1,057,912
Non-current assets					
Recoverable taxes	10	10,359	3,956	20,726	4,919
Deferred income and social contribution taxes	16	-	-	3,924	2,291
Advances for future capital increase	13	27,749	2,162	-	-
Operations with derivatives	21	1,938	311	1,938	311
Related party credits	13	-	1,784	-	-
Accounts receivable		8,594	16,073	8,594	16,073
Advances to suppliers		47,316	-	68,583	-
Deferred expenses		5,796	6,757	5,796	6,757
Other receivables		887	858	1,684	1,483
Investments	11	1,843,453	1,702,954	-	-
Biological assets	9	4,461	6,019	4,461	6,174
Property, plant and equipment	12	445,176	461,000	2,685,343	2,594,571
Intangible assets		6,095	8,008	6,264	8,111
Total non-current assets		2,401,824	2,209,882	2,807,313	2,640,690
Total assets		3,220,989	2,827,020	4,261,078	3,698,602

See the accompanying notes to the financial statements.

BALANCE SHEET

At December 31, 2013 and 2012

In thousands of Reais

		Parent company		Consolidated	
Liabilities	**Note**	**2013**	**2012**	**2013**	**2012**
Current liabilities					
Suppliers		137,893	78,151	236,217	137.758
Loans and financing	14	481,354	290,100	692,418	435.498
Taxes, rates, and sundry contributions		852	1,009	18,605	13.352
Social charges and labor legislation obligations		14,847	10,881	23,276	17.660
Advances from clients		16,073	18,868	25,029	39.814
Debts with related parties	13	9,174	18,522	-	-
Operations with derivatives	21	28,145	17,601	31,433	20.058
Securities payable	17	-	600	126,494	95.283
Provisions for tax, labor and environmental risks	15	1,353	1,471	1,786	2.261
Dividends payable		23,893	9,526	23,923	9.526
Other accounts payable		8,705	6,842	16,565	12.092
Total current liabilities		722,289	453,571	1,195,746	783.302
Non-current liabilities					
Loans and financing	14	436,796	348,619	477,871	375.362
Deferred income and social contribution taxes	16	51,942	76,000	419,813	458.139
Operations with derivatives	21	678	775	811	775
Securities payable	17	-	-	29,216	86.851
Other liabilities		609	548	609	548
Total non-current liabilities		490,025	425,942	928,320	921.675
Shareholders' equity attributable to controlling shareholders					
Capital	18.a	557,434	557,434	557,434	557.434
Capital reserve	18.b	203,921	197,859	203,921	197.859
(-) Treasury shares	18.c	(7,019)	(7,749)	(7,019)	(7.749)
Profit reserves	18.d.e.f.g	397,216	307,129	397,216	307.129
Other comprehensive income		857,123	892,834	857,123	892.834
Total shareholders' equity attributable to controlling shareholders		2.008.675	1,947,507	2,008,675	1,947,507
Non-controlling interest		-	-	128,337	46,118
Shareholders' equity		2.008.675	1,947,507	2,137,012	1,993,625
Total liabilities and shareholders' equity		3.220.989	2,827,020	4,261,078	3,698,602

See the accompanying notes to the financial statements.

STATEMENTS OF OPERATIONS

Years ended December 31, 2013 and 2012

In thousands of Reais, except net income per share

		Parent company		Consolidated	
	Note	2013	2012	2013	2012
Income	26	620,191	628,436	1,181,520	1,118,743
Cost of goods sold		(548,847)	(556,935)	(920,234)	(864,956)
Gross income		71,344	71,501	261,286	253,787
Operating income (expenses)					
Sales expenses		(35,409)	(42,248)	(63,991)	(67,849)
Administrative and general expenses		(31,524)	(31,632)	(39,272)	(38,124)
Management compensation	13.c	(7,466)	(7,348)	(8,457)	(8,067)
Equity in income of subsidiaries	11	120,772	53,721	-	-
Other operating income (expenses)		545	4,756	913	5,374
Operating income		118,262	48,750	150,479	145,121
Financial income	19	73,962	71,342	150,699	148,817
Financial expenses	19	(107,529)	(83,475)	(175,594)	(221,407)
Loss before income and social contribution taxes		84,695	36,617	125,584	72,531
Income tax and social contribution	16				
Current		-	-	(46,441)	(30,524)
Deferred		10,878	1,488	17,460	(3,577)
Income for the year		95,573	38,105	96,603	38,430
Attributable to:					
Interest of controlling shareholders		95,573	38,105	95,573	38,105
Interest of non-controlling shareholders		-	-	1,030	325
		95,573	38,105	96,603	38,430
Earnings (loss) per share (expressed in Reais per share):					
Net earnings per share - basic - R$	18.h	0.971	0.387	0.971	0.387
Net earnings per share - diluted (in R$)	18.h	0.966	0.385	0.966	0.385

See the accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31, 2013 and 2012

In thousands of Reais

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012**
Income (loss) for the year	95,573	38,105	96,603	38,430
Comprehensive income				
Derivatives - Cash flow hedge	(37,365)	(17,645)	(34,477)	(7.761)
Derivatives - Cash flow hedge - Reflex of the subsidiaries	2,199	6,523	-	-
Income and social contribution taxes	12,704	6,000	11,722	2.639
Total comprehensive income	73,111	32,983	73,848	33,308
Comprehensive income attributable to:				
Controlling shareholders			73,111	32.983
Non-controlling shareholders			737	325
Total comprehensive income			73,848	33,308

See the accompanying notes to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31, 2013 and 2012

In thousands of Reais

		Capital reserves			Profit reserves								
	Capital	Goodwill in the issue of shares	Recognized options granted	Treasury shares	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at December 31, 2011	**557,434**	**176,534**	**15,952**	**(19,532)**	**2,851**	**240,162**	**5,628**	**38,654**	**902,553**	**-**	**1,920,236**	**-**	**1.920.236**
Interest on own Capital	-	-	-	-	-	-	-	-	-	-	-	43,488	43.488
Goodwill on Sale of Shares	-	1,051	-	-	-	-	-	-	-	-	1,051	12,971	14.022
Share-based compensation recognized in the year	-	-	4,322	-	-	-	-	-	-	-	4,322	-	4.322
Share-based compensation exercized in the year	-	-	-	11,783	-	-	-	-	-	-	11,783	-	11.783
Unrealized gains (losses) with hedge instruments, net of tax effects	-	-	-	-	-	-	-	-	(11,645)	-	(11,645)	-	(11.645)
Unrealized gains (losses) with hedge instruments, net of tax effects for subsidiaries	-	-	-	-	-	-	-	-	6,523	-	6,523	-	6.523
Realization of depreciation of the deemed cost of the property, plant and equipment	-	-	-	-	-	-	-	-	(10,931)	10,931	-	-	-
Realization of deemed cost per sale	-	-	-	-	-	-	-	-	(3,526)	3,526	-	-	-
Reduction Reflex Evaluation Adjustment due to Interest Variation	-	-	-	-	-	-	-	-	(806)	-	(806)	-	(806)
Gain in the variation of interest	-	-	-	-	-	-	-	-	10,666	-	10,666	(10,666)	-
Net income for the year	-	-	-	-	-	-	-	-	-	38,105	38,105	325	38.430
Proposed allocation:													
Expansion reserve	-	-	-	-	-	43,036	-	-	-	(43,036)	-	-	-
Proposed dividends	-	-	-	-	-	15,452	-	(38,654)	-	(9,526)	(32,728)	-	(32.728)
Balances at December 31, 2012	**557,434**	**177,585**	**20,274**	**(7,749)**	**2,851**	**298,650**	**5,628**	**-**	**892,834**	**-**	**1,947,507**	**46,118**	**1.993.625**
Interest on own Capital	-	-	-	-	-	-	-	-	-	-	-	77,693	77.693
Goodwill on Sale of Shares	-	469	-	-	-	-	-	-	-	-	469	14,969	15.438
Share-based compensation recognized in the year	-	-	5,593	-	-	-	-	-	-	-	5,593	-	5.593
Share-based compensation exercized in the year	-	-	-	730	-	-	-	-	-	-	730	-	730
Unrealized gains (losses) with hedge instruments, net of tax effects	-	-	-	-	-	26	-	-	(24,661)	-	(24,635)	-	(24.635)
Unrealized gains (losses) with hedge instruments, net of tax effects for subsidiaries	-	-	-	-	-	-	-	-	2,199	-	2,199	(293)	1.906
Realization of depreciation of the deemed cost of the property, plant and equipment	-	-	-	-	-	-	-	-	(8,764)	8,764	-	-	-
Realization of deemed cost per sale	-	-	-	-	-	-	-	-	(5,717)	5,717	-	-	-
Reduction Reflex Evaluation Adjustment due to Interest Variation	-	-	-	-	-	-	-	-	(9,918)	9,616	(302)	-	(302)
Gain in the variation of interest	-	-	-	-	-	-	-	-	11,150	-	11,150	(11,150)	-
Net income for the year	-	-	-	-	-	-	-	-	-	95,573	95,573	1,030	96.603
Proposed allocation:											-		-
Expansion reserve	-	-	-	-	-	81,441	-	14,336	-	(95,777)	-	-	-
Proposed dividends	-	-	-	-	-	(5,716)	-	-	-	(23,893)	(29,609)	(30)	(29.639)
Balances at December 31, 2012	**557,434**	**178,054**	**25,867**	**(7,019)**	**2,851**	**374,401**	**5,628**	**14,336**	**857,123**	**-**	**2,008,675**	**128,337**	**2.137.012**

See the accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2013 and 2012

In thousands of Reais

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012**
Cash flow from operating activities				
Income (loss) for the year	84,695	36,617	125,584	72.531
Adjustments to reconcile income to cash and cash equivalents generated by (used in) operational activities:				
Depreciation (Note 10)	73,654	75,064	106,387	107.812
Income from write-off of property, plant and equipment	17,621	19,917	36,175	8.041
Capital investment gain (loss)	(505)	744	-	-
Equity in net income of subsidiaries	(120,772)	(53,721)	-	-
Interest and price-level restatement on loans	45,268	4,938	50,071	69.799
Interest on loans paid	(52,301)	(31,324)	(65,019)	(43.015)
Share-based compensation	5,593	4,322	5,593	4.322
Variation of biological assets	(33,128)	49,628	(32,265)	47.119
Provision (reversal) to inventory adjustments and onerous contracts	(4,131)	3,165	(4,224)	3.019
Provision (reversal) of profit sharing and labor contingencies	4,733	3,952	6,415	3.871
Income and social contribution taxes paid	-	(4)	(24,556)	(26.190)
Dividends received	47,340	-	-	-
	68,067	113,298	204.161	247.309
Changes in assets and liabilities:				
(Increase) in trade accounts receivable	(1,971)	(7,977)	(7,167)	(936)
(Increase) in inventories and biological assets	(66,800)	(25,656)	(143,561)	(77.422)
(Increase) in recoverable taxes	(14,792)	(16,161)	(17,011)	(24.467)
Decrease of receivables	7,591	10,490	7,591	10.490
(Increase) decrease in interest earning bank deposits	(50,005)	(10,261)	(147,265)	(10.252)
(Increase) in other accounts receivable	(19,827)	(12,772)	(38,989)	(15.504)
Increase in suppliers	59,741	2,512	98,459	13.642
Increase (decrease) in taxes and social payables	(3,858)	302	(21,839)	9.340
Increase (decrease) in obligations with subsidiaries	(8,313)	33,028	-	-
Increase in operations with derivatives	24,362	35,450	28,239	32.987
(Decrease) in securities payable	(600)	-	(20,335)	(115.821)
(Decrease) in advances from clients	(2,794)	(23,306)	(14,785)	(27.799)
(Decrease) in other accounts payable balance	4,839	(9,589)	9,364	(12.903)
	(72,427)	(23,940)	(267.299)	(218.645)
Net cash provided by operational activities	(4,360)	89,358	(63,138)	28.664
Cash flow from investment activities				
In investments	(90,473)	(109,914)	-	-
In biological assets	(1,018)	-	(1,018)	-
In property, plant and equipment	(72,950)	(124,247)	(242,024)	(158.600)
In intangible assets	(611)	(493)	(736)	(534)
Cash flow from investment activities	(165,052)	(234,654)	(243,778)	(159.134)
Cash flow from financing activities				
Paid-up capital	-	-	92,662	60.438
Disposal of shares	-	12,834	-	12.834
Repurchase of shares	1,199	-	1,199	-
Payment of dividends	(15,242)	(61,855)	(15,242)	(61.855)
Loans and financing obtained	993,450	512,991	1,255,563	639.475
Payments of loans and financing	(758,510)	(363,301)	(938,800)	(503.891)
Net cash provided by financing activities	220,897	100,669	395,382	147.001
Net (decrease) increase in cash and cash equivalents	51.485	(44,627)	88,466	16,531
Cash and cash equivalents at January 1	30.799	75,426	143,888	127,357
Cash and cash equivalents at December 31	82.284	30,799	232,354	143,888
Net (decrease) increase in cash and cash equivalents	51.485	(44,627)	88,466	16,531

See the accompanying notes to the financial statements.

STATEMENTS OF ADDED VALUE

Years ended December 31, 2013 and 2012

In thousands of Reais

	Parent company				Consolidated			
	2013		2012		2013		2012	
Revenues	738,694		761,532		1,397,510		1,305,312	
Sale of merchandise, products and services	642,255		656,087		1,137,523		1,068,684	
Other income	17,449		8,423		20,940		12,574	
Income from the construction of own assets	27,499		73,524		92,755		89,723	
Change in fair value of biological assets	51,491		23,498		146,292		134,331	
Inputs acquired from third parties	(365,388)		(467,438)		(768,445)		(773,500)	
Raw materials used	(203,001)		(200,416)		(364,741)		(315,905)	
Cost of goods and services sold	(16,219)		(5,018)		(14,134)		(3,364)	
Materials, energy, outsourced services and other	(131,936)		(185,950)		(279,746)		(269,911)	
Loss/recovery of asset values	4,130		(2,928)		4,202		(2,869)	
Adjustment of fair value of biological assets	(18,362)		(73,126)		(114,026)		(181,451)	
Gross added value	373,306		294,094		629,065		531,812	
Depreciation and amortization	(80,418)		(67,949)		(115,517)		(98,066)	
Net value added produced by the Company	292,888		226,145		513,548		433,746	
Added value received as transfer	151,118		102,467		107,880		122,951	
Equity in income of subsidiaries and associated companies	120,772		53,722		-		-	
Financial income	29,780		48,569		107,101		122,686	
Others	566		176		779		265	
Total added value payable	444,006		328,612		621,428		556,697	
Distribution of added value	444,006	100%	328,612	100%	621,428	100%	556,697	100%
Taxes, rates and contributions	87,342	20%	79,519	24%	166,057	27%	151,818	27%
Federal	32,801		43,857		100,396		105,236	
State	54,376		35,662		65,473		46,575	
Municipal	165		-		188		7	
Personnel	99,462	22%	87,118	27%	151,372	24%	121,540	22%
Direct remuneration	60,484		56,467		95,297		80,267	
Benefits	33,880		25,956		48,161		34,744	
FGTS	5,098		4,695		7,914		6,529	
Third-party capital remuneration	161,629	36%	123,870	37%	207,396	33%	244,909	44%
Interest	106,969		84,272		184,482		231,513	
Rents	54,660		39,598		22,914		13,396	
Remuneration of own capital	95,573	22%	38,105	12%	96,603	16%	38,430	7%
Dividends	23,893		9,526		23,952		9,526	
Retained earnings	71,680		28,579		71,680		28,579	
Interest of non-controlling shareholders in retained earnings	-		-		971		325	

See the accompanying notes to the financial statements.

1 Operations

SLC Agrícola S.A., founded in 1977, hereinafter denominated as “parent company”, “SLC” or the “Company”, and its subsidiaries (jointly referred to as the “Group”) is engaged in agricultural activities; production and sales of seeds and saplings; processing and trading of its products, and is permitted to export and import assets for its own use and consumption; supply of primary agricultural assets and products and goods in general; provision of reception, cleaning, drying and storage services for third party cereals; provision to third parties of services using agricultural machinery and equipment; trade, import and export of agricultural products; industrial activities of sugarcane processing, alcohol and its byproducts; and investments in other companies.

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

On September 1, 2013, the Company started the cultivation of the 2013/2014 crop, operating with 16 production units, with a total planted area of 344.0 thousand hectares, including company-owned areas and areas leased from third parties, located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

2 Accounting policies

a. Preparation basis and presentation of the individual and consolidated financial statements

These financial statements include:

- The consolidated financial statements are prepared according to the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP); and

- The individual financial statements of the subsidiary are prepared according to the BR GAAP.

The individual financial statements of the Parent Company were prepared in accordance with BR GAAP, and, in the case of the Group, these practices differ from the IFRS applicable to separate financial statements due to the fact that investments in subsidiaries, associated companies and joint ventures are valued under the equity method in BR GAAP, whereas, for IFRS purposes, these investments would be carried at cost or fair value.

However, there is no difference between the shareholders' equity and consolidated result presented by the Group and the shareholders' equity and result of the Parent company in the individual financial statements. Accordingly, the consolidated financial statements of the Group and the Parent Company's individual financial statements are being presented side by side in a single set of financial statements.

The issue of individual and consolidated financial statements was authorized by the Executive Board on February 24, 2014.

b. Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;
- Biological assets measured at fair value less sales expenses.

c. Functional currency and presentation currency

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

3 Accounting policies

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

a. Foreign currency translation

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

b. Transactions eliminated in the consolidation

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

c. Revenue recognition

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

Sale of goods

The operating income from sales of products in the normal course of business is measured by the fair value of the installment received or receivable. Operating income is recognized when there is convincing evidence that the risks and rewards inherent to the ownership of the assets have been transferred to the purchaser, it is probable that the financial economic benefits will flow to the Company, the related costs and potential return of goods can be reliably estimated, there is no continued involvement with the goods sold, and the amount of operating income can be reliably measured. In the event

that it is probable that discounts will be granted and their amounts can be reliably measured, discounts are recognized as a reduction to sales.

Transfer of risks and rewards varies depending on the individual conditions of the sales agreement.

d. Inventories

Agricultural products from biological assets are measured at fair value less selling expenses at the point of harvest, when they are transferred from the group of biological assets to the group of inventories and measured at the weighted average of harvest fair values.

Inventories of seeds, composts, fertilizers, pesticides, fuels, lubricants, packaging material, replacement parts and other inventories were evaluated at average acquisition cost.

Provisions for slow-moving or obsolete inventories are formed when considered necessary by Management.

The provision for adjustment of agricultural products inventories to market value is recognized when fair value recorded in inventory is higher than realization value. Realization value is the estimated sales price on normal course of business less estimated costs necessary to sell them.

e. Biological assets

Biological assets correspond basically to the cultivation and planting of soybean, corn, cotton, wheat and coffee, whose agricultural products are sold to third parties. Biological assets are measured at fair value, less estimated cost of sales at harvest time. While there is only a small biological transformation and the impact of the transformation is not expected to be material, the cost incurred is deemed to be the fair value of biological assets.

The gain or loss in the variation of the fair value of the biological assets is recognized in income (loss) for the period in which they occur, as described in note 26, named "change in fair value of the biological assets".

The biological assets - soybean, corn, cotton and wheat - are maintained by the expenses incurred with the formation of crops up to the pre-harvest when they are evaluated at fair value, less estimated cost of sales. The Company believes that at this time there is a significant biological change and the impact of the transformation of biological assets on the price is material.

Biological asset “coffee plantation” is measured at fair value less costs necessary to prepare assets for sale. Since it is a permanent culture, the same is classified in the group of non-current assets.

The evaluation of biological assets at their fair value considers certain estimates, such as: price, necessary costs for sale condition, discount rate, plan to harvest crops and production volume, which are subject to uncertainties, leading to possible effects in future results due to its variations.

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

i. *Valuation:*

- Soybean, corn, cotton and wheat crops are maintained at historic cost up to pre-harvest date, and then they are evaluated at fair value, which reflects the asset's sales price less costs necessary to prepare the product for sale.

- Coffee plantations - are valued at fair value based on its productivity forecast and price changes.

ii. Methodology used:

- Soy bean, corn, cotton and wheat crops – Evaluation of each crop area on pre-harvest dates based on the area to be harvested and on expected productivity.

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

iii. The discount rate used in the cash flows corresponds to the Weighted Average Cost of Capital (WACC) of about 8,03% p.a., which is periodically reviewed by the Management. Future prices were estimated based on future quotation (*Nybot*) and costs were estimated based on the Company's business plan. The average lifespan of the coffee plants considered in the study is 15 years.

iv. Prices of biological assets are obtained through market price surveys disclosed by specialist companies, in addition to prices practiced by the Company in sales to third parties.

v. The expenses with planting refer to the costs of formation of biological assets.

f. Investments (parent company)

Investments in subsidiaries are determined by the equity method of accounting, as CPC18 (IAS28), for the purpose of the parent company's financial statements.

Once the equity method is used for the purpose of the parent company's financial statements, the Company determines whether it is necessary to recognize additional impairment on the Company's investment in each one of its subsidiaries. The Company determines, at each balance sheet closing date, if there is objective evidence that investment in the subsidiaries suffered impairment loss. If so, the Company calculates the amount of impairment loss as the difference between the recoverable amount of the subsidiary and the book value and recognizes the amount in the parent company's statement of income.

g. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

The cost includes expenditures that are directly attributable to the acquisition of assets.

The cost of assets constructed by the Company itself include:

- The cost of materials and direct labor;

- Any other costs to bringing the assets to the location and condition required for them to operate in the manner intended by management;

- The costs for dismantling and restoration of the site where these assets are located;
- Borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

When parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of PP&E.

Gains and losses on disposal of a property, plant and equipment item (determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment) are recognized in Other operating income (expenses) in profit or loss.

ii. Subsequent costs

Subsequent expenditures are capitalized in accordance with the probability that associated future benefits may be earned by the Group. Maintenance expenses and recurring repairs are recorded in the income.

iii. Depreciation

Fixed assets items are depreciated using the straight-line method in the income for the year based on the estimated economic useful life of each component. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the contractual term, unless it is certain that the Company will become the owner of the asset at the end of the lease. Land and land plots are not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and are available for use, or, in the case of assets constructed by the Company, as of the date the construction is concluded and the asset is available for use.

Estimated useful lives for current and comparative years are as follows:

	Useful life
Soil correction and development	12,73 years
Buildings and improvements	34.4 years
Furniture and fixtures	10 years
Equipment and facilities of the office	7.5 years
Agricultural equipment and industrial facilities	15 years
Vehicles	11 years

A property, plant and equipment item is written off when it is sold or when no future economic benefit was expected from its use or sale. Possible gain or loss resulting from asset write-off (calculated as the difference between net sales value and book value) is included in the statement of income for the year in which the asset was written off.

During the periods ended December 31, 2013 and December 31, 2012, the Company did not verify the existence of indicators that the value of certain property, plant and equipment items could be higher than recoverable value and, accordingly, no provision for impairment is necessary.

Assets' residual values and useful lives and depreciation methods are reviewed at yearend, and are adjusted on a prospective basis, if applicable. For the year ended December 31, 2013 was revised the useful lives of items of soil correction and

development. The impact in the income statement and equity are not relevant.

h. Intangible assets

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

Estimated useful life for the current and comparative period of software is five years.

Intangible assets with defined lives are amortized throughout their economic useful lives and evaluated in relation to impairment losses whenever there is any indication that the asset lost economic value. Amortization method and period of an intangible asset with defined life are reviewed at least at the end of each year. Changes in these assets' estimated useful lives or in expected consumption of future economic benefits are accounted for through changes in amortization method or period, as applicable, and are addressed as changes in bookkeeping. The amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortization of intangible assets with defined lives is recognized in the statement of income under expenses, consistent with intangible asset use.

On December 31, 2013 and December 31, 2012, the Company did not have intangible assets with an undefined useful life, as well as intangible assets generated internally.

i. Impairment

i. Financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed at each reporting date for objective evidence of impairment loss. An asset is impaired when there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that such loss event had a negative effect on the projected future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Group on terms that the Group would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

Financial assets measured by the amortized cost

The Group considers as evidence of impairment of assets measured by amortized cost both individually and on an aggregate basis. Individually significant receivables are assessed for impairment. All the receivables and investment securities held to maturity which are material on an individual basis, identified as non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Individually significant assets are assessed on an aggregate basis in relation to impairment by grouping the notes with similar risk characteristics.

When assessing impairment on an aggregate basis the Group makes use of historical trends of probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect the management's judgment in relation to the assumptions, if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in an allowance in the income statement against receivables or assets held to maturity. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

The carrying amounts of the non-financial assets of the Group, except for biological assets, investment properties, inventories and deferred income and social contribution taxes are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset or CGU (cash generating unit or CGU) exceeds its recoverable value.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less selling expenses. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset or CGU. For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or group of assets.

Impairment losses are recognized in profit or loss. Losses recognized for CGUs are initially allocated to reduce other assets within the CGU (or group of CGUs) on a pro-rata basis.

Regarding other assets, impairment losses are reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

On balance sheet dates, no indications of the need for recognizing a provision for impairment were identified.

j. Government subsidies

Government subsidies are recognized whenever there is reasonable certainty that the benefit will be received and all corresponding conditions will be met. When the benefit is related to an expense item it is recognized as revenue for the period the benefit was granted, on a systematic basis in relation to the costs offset by such benefit.

The governments of the states of Mato Grosso do Sul through Decree n° 9,542/99 and of Mato Grosso, through Decree ° 1261/00, granted incentives for deferral of ICMS debts through the adhesion of Planalto Farm to the Fundersul (Fund for Development of the Road System of Mato Grosso do Sul State) program and of Fazenda Planorte, Fazenda Paiaguás and SLC Pejuçara to the FETHAB (Transportation and Housing Fund) program.

The governments of the states of Mato Grosso do Sul through Decree 9716/99, and of

Goiás through State Law 13506/99, granted deemed ICMS credit incentives in the operations with cotton fiber, with reduction in the amount of ICMS payable from 50% to 75% through adhesion by Planalto Farm to the PDAGRO program (Mato Grosso do Sul), and by Pamplona Farm to the PROALGO program (Goiás). Deemed credits are recorded in income under taxes on sales, as a contra entry to recoverable taxes.

The Superintendency for the Development of the Amazon Region - SUDAM (current Agency for Development of the Amazon Region - ADA), through Declaratory Act DCI/DAI/SUDAM no. 025/2000, granted IRPJ tax incentive of IRPJ to Parnaíba and Planorte farms, with reduction of IRPJ and nonreturnable additional sums of 75% on income from the exploration of operations with cotton and cottonseed, up to the production of limit stipulated in the Declaratory Act. Amounts calculated as incentives are recorded under Corporate Income Tax Payable, as a contra entry to caption current income tax in income.

k. Taxes

Income and social contribution taxes

Current and deferred Income Tax and Social Contribution are calculated as 15%, with surtax of 10% on taxable income exceeding R$240 p.a. for income tax, and 9% on taxable income for social contribution on net income, and take into consideration tax losses offset. For rural activities, reaches up to 100% of annual taxable income and, for other activities, it is limited to 30% of annual taxable income.

The income and social contribution tax expense comprises current and deferred taxes on income. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

Current taxes are the taxes payable or receivable on the taxable income or loss for the year, at tax rates enacted or substantively enacted on the reporting date, and any adjustments to taxes payable in relation to prior years.

Deferred taxes are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the related amounts used for taxation purposes.

Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively decreed up to the reporting date of the financial statements.

To determine current and deferred income tax, the Company takes into consideration the impact of uncertainties on positions taken on taxes and if the additional income tax and interest payment has to be made. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax periods, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions that may involve several judgments on future events. New information may be provided, making the Company change its judgment on the existing provision adequacy; such changes will impact income tax expenses for the year in which they are made, if applicable.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets against tax liabilities, and the latter relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred asset for income and social contribution taxes is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced when their realization is no longer probable.

Sales tax

Income and assets not recognized, net of taxes levied on sales, except for:

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

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

	Rates
	from 0% to
ICMS - Value-Added Tax on Sales and Services	17.00%
COFINS – Contribution for social security funding	7.60%
PIS - Social Integration Program	1.65%
Rural Worker Assistance – Funrural	2.85%

In the statement of income, revenues are presented net of these taxes.

I. Financial instruments

i. Non-derivative financial assets

The Group recognizes loans and receivables initially at the date of the transaction that originated them. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation under which the Group becomes a party to the contractual provisions of the instrument.

The Group writes-off a financial asset when the contractual rights to the cash flow of the asset expire, or when the Group transfers the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right of the Group to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets in the following categories: financial assets recorded at fair value through profit or loss and loans and receivables,

and cash and cash equivalents.

Financial assets recorded at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is designated as held for trading when initially recognized. Financial assets are stated at fair value through profit or loss if the Group manages these investments and makes decisions on investment and redemption based on fair value according to the risk management and strategy of investment documented by the Group. The transaction costs are recognized in income (loss) as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in the fair value of such assets, which consider any gain with dividends, are recognized in profit or loss for the year.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. Such assets are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, reduced by any impairment losses.

Loans and receivables comprise cash and cash equivalents and other credits.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and financial investments with the original maturity of three months or less as from the contracting date. Items classified as cash and cash equivalents are subject to an insignificant risk of change in value and are used to manage short-term obligations.

ii. Non-derivative financial liabilities
The Group recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the negotiation date on which the Group becomes a party to the contractual provisions of the instrument. The Group writes-off a financial liability when its contractual obligations are discharged or canceled or expire.

The Group classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

The Group has the following non-derivative financial liabilities: Loans and financing, suppliers, loan agreements and related party leases, securities payable and others accounts payable.

iii. Capital
Common shares
Common shares are classified as shareholders' equity. Additional costs directly attributable to the issue of shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

Dividends
The Company's bylaws and corporate law establish that a minimum of 25% of the adjusted annual net income must be distributed as dividends. Accordingly, the Company

records, at the end of each year, a provision equivalent to the minimum mandatory dividend that has not been distributed yet.

Repurchase of shares (treasury shares)
When the capital recognized as shareholders' equity is repurchased, the amount of the remuneration paid, which includes directly attributable costs, net of any tax effects, is recorded as a deduction from shareholders' equity. The repurchased shares are classified as treasury stock and presented as a deduction from total shareholders' equity.

When treasury stock is sold or reissued subsequently, the amount received is recognized as an increase in shareholders' equity, and the resulting surplus or deficit is transferred to/from retained earnings.

iv. Derivative financial instruments, including hedge accounting

The Company uses derivative financial instruments, such as non-deliverable forwards, forward commodities contracts and interest rate swaps, to provide protection against the risk of variation of the foreign exchange rates, of the price of commodities and of the interest rates, respectively. Embedded derivatives are separated from their main contracts and recorded individually if the economic characteristics and risks of the main contract and the embedded derivative are not intrinsically related; or an individual instrument in the same conditions of the embedded derivative meets the definition of a derivative and the combined instrument is not measured at fair value through profit or loss.

Upon initial designation of the hedge, the Group formally documents the relationship between the hedge instruments and the hedgeable instruments, including the risk management goals and the strategy in the execution of the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedge relationship. The Group evaluates the hedge relationship, initially and then continuously, to conclude if hedge instruments are expected to be "highly effective" in the offset of variations in fair value or cash flows of items subject to hedge during the year for which hedge is assigned whether the actual results of each hedge are within the range of 80–125%. For a cash flows hedge of a planned transaction, the transaction should have its occurrence as highly probable and should present exposure to variations in the cash flows that at the end could affect the reported net income.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. After the initial recognition, derivatives are measured at fair value and changes in fair value are accounted for as follows:

Cash flow hedge
When a derivative is designated as a hedge instrument for cash flow variability attributed to a specific risk associated with a recognized asset or liability or a highly probable foreseen transaction that could affect the net income, the effective portion of variation in the derivative's fair value is recognized in "other comprehensive income" and is presented under "equity valuation reserve" in shareholders' equity. Any non-effective portion of the variations in the fair value of the derivative is recognized immediately in net income.

When the item to be hedged is a non-financial asset, the amount recognized in "other comprehensive income" is transferred to the asset's book value when the asset is realized. The value recognized in other comprehensive income is reclassified to income

in the same year in which the hedged cash flows affect income on the same line in the statement of income as a hedged item. If there are no more expectations regarding the occurrence of the planned transaction, then the balance in other comprehensive income is recognized immediately in the income (loss). In other cases, the amount recognized in other comprehensive income is transferred to the result, in the same year in which the hedgeable item affects the result.

If the hedge instrument no longer satisfies the hedge accounting criteria, expires oris sold, wound up, exercised or has its designation revoked, then the hedge accounting is discontinued prospectively. The accumulated results previously recognized in other comprehensive income and presented in the asset valuation reserve in shareholders' equity, remain there until the planned transaction affects the result.

For the periods ended December 31, 2013 and December 31, 2012, the Company and its subsidiaries only had transactions classified as cash flow hedging.

m. Leases

i. Lease payments

Payments for operating leasing are charged to income on the straight-line basis over the lease period. Lease incentives received are recognized as an integral part of total lease expenses, over the lease agreement period.

Minimum lease payments made under financial leasing are apportioned between financial expenses and reduction of the outstanding liability. Financial expenses are allocated in each period over the lease period in order to produce a continuous and periodic compounding interest rate over the remaining liability balance.

ii. Determining whether an agreement contains a lease

At the inception of an agreement, the Group defines whether the agreement is for or contains a lease. This is the case if the two conditions below are met:

a. Meeting the agreement depends on the use of said specified asset

b. The agreement has a right of use of the asset.

At the inception of an agreement or at the time of a possible revaluation thereof, the Group separates payments and other considerations required by said agreement between those for leasing and those for other components, taking as a basis their relative fair values. Should the Group conclude that, for a given financial lease, a reliable separation of the payments is impracticable, one asset and one liability are recognized for an amount equal to the fair value of the underlying asset. Subsequently, the minimum lease payments made under financial leases are apportioned between financial expense (based on the Group's incremental interest rate) and reduction of the outstanding liability.

n. Provisions

A provision is set up when the Group has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are calculated by discounting the expected future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability. The financial costs incurred are recorded in the statements of income.

Provisions for tax, civil, environmental and labor risks
Provisions are recognized for all disputes referring to lawsuits for which a disbursement to settle the dispute/obligation is probable, and this disbursement may be reliably estimated. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external attorneys. Provisions are revised and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions.

o. Share-based payment

The Company has a Stock Option Plan for the officers and managers that is administrated by a management committee created by the Board of Directors. In the years ended December 31, 2013 and December 31, 2012, the Company measured and recognized these benefits as expenses, in accordance with CPC 10 (IFRS 2). Company's program details are described in Note 23.

The fair value of share-based payment awards is recognized at the grant date, as personnel expenses, with a corresponding increase in shareholders' equity, over the period when employees become unconditionally entitled to the benefits. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are expected to be met, so that the amount ultimately recognized as an expense is based on the actual number of awards meeting these conditions at vesting date. For share-based payment awards with a non-market vesting condition, the fair value at grant date is measured to reflect such conditions and there is no change for differences between expected and actual benefits.

p. Financial income and expenses

Financial income include interest revenues, variations in exchange currency of trade accounting receivables and suppliers, monetary variation related to debts indexed to soybean bags, variations in financial assets' fair value measured at fair value through profit or loss, gains on hedge instruments that are recognized in income and reclassifications of gains previously recognized in other comprehensive income. Interest income is recognized in income (loss) under the effective interest method.

Financial expenses include loan interests, variations in fair value of financial assets measured at fair value by means of income, variations in exchange currency of trade accounting receivables and suppliers, monetary variation related to debts indexed to soybean bags, losses arising from a reduction in the recoverable value (impairment) recognized in financial assets (except receivables), and losses in hedge instruments that are recognized in income (loss). Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are accounted for in profit or loss using the effective interest rate method.

q. Earnings per share

Profit per share is basically calculated by dividing net income for the year attributed to holders of the parent company’s common shares by the weighted average number of common shares available during the year, in accordance with technical pronouncement CPC 41 (IAS 33). The calculation of diluted earnings per share is performed by dividing adjusted net income for the year by any dividends or other items related to dilutive potential common shares which have been deducted in determining income or loss attributable to ordinary shareholders of the Company, any interest recognized in the period related to dilutive potential common shares, and any other changes in income or

expenses that would result from the translation of dilutive potential common shares by the weighted average number of common shares that would be issued on conversion of all dilutive potential common shares into common shares. (Note 18.h)

r. Employee benefits

Benefits granted to employees and directors of the Company include, in addition to fixed pay (salaries and social security contributions (INSS), vacation pay, 13th month salary), variable pay such as profit sharing and stock option plan for officers and managers. These benefits are recorded as incurred in income for the year when the Company has an obligation based on the accrual regime.

s. Segment information

The Company's activities focus on production and trading of agricultural products (soybean, corn, wheat, cotton and coffee) and on acquisition and development of land for agriculture; accordingly, it is organized in two business segments: agricultural production and land. The operating results are frequently reviewed by the main manager of the Company for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance.

The Company's products are not controlled and managed by Management as independent segments, and the Company's results are followed, monitored and evaluated on an integrated basis. There is no aggregation of operating segments.

t. Statements of added value

The Group prepared individual and consolidated statements of added value in accordance with the rules of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

u. New standards and interpretations not yet adopted

Several news Standards, amendments to standards and interpretations are effective for the years started after January 1, 2014, and have not been adopted to the preparation of these consolidated financial statements. Those that may be relevant to the Group are listed below. The Group does not plan to adopt these standards in advance.

IFRS 9 *Financial Instruments* (2010), IFRS 9 *Financial Instruments* (2009)

IFRS 9 (2009) introduces a new requirement for classification and measurement of financial assets. Under IFRS 9 (2009) financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions in relation to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment loss of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) is effective for periods beginning on or after January 1, 2015. The Company does not expect that this change will have relevant impacts on its consolidated financial statements.

The Accounting Pronouncements Committee has not yet issued any accounting pronouncement or amendments in current pronouncements corresponding to this standard.

Amendments to IAS 32 and IFRS 7 (2011). The amendments to IAS 32 aims to clarify the requirements for offsetting financial instruments. These changes shows the inconsistencies encountered in practice when applied offsetting criteria in IAS 32.

Financial Instruments: Presentation. The amendments clarify: (i) the meaning of "currently has a legally enforceable right of set-of ", and (ii) that some gross settlement systems can be considered equivalent to net settlement systems. The amendments are effective for annual periods beginning on or after January 1, 2014 and its implementation is required retrospectively.

The amendments are part of the IAS compensation project. As part of this project, the IASB also issued separately Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7), the changes of this IFRS will contain new disclosure requirements for financial assets and financial liabilities which are: (i) compensation to demonstration financial, or (ii) subject to compensation or similar agreements. Effective for annual periods beginning on or after January 1, 2014.

Amendment of the federal tax law on income taxes
Management performed an initial evaluation of the provisions contained in Provisional Measure 627 of November 11, 2013 ("MP 627") and Regulatory Instruction 1397, of September 16, 2013, as amended by Regulatory Instruction 1422 of December 19, 2013 ("IN 1397").

Although the MP 627 comes into force from January 1, 2015, there is the possibility of an option (irreversible) for its implementation from January 1, 2014. The Administration not decided whether to adopt the option for early adoption. According to the analysis of management and its consultants, no relevant impacts of the MP 627 and IN 1397 in the financial statements for the year ended December 31, 2013 were identified. Additionally, the Administration believes that the profit reserves recognized in accounting earnings between January 1, 2008 and December 31, 2013 exceeded the taxable income in that period, if they are distributed as future dividends, will be the basis for income tax.

4 Significant judgments, estimates and assumptions

a. Judgments

The preparation of Company's financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, as well as the disclosures of contingent liabilities, in the base date of the financial statements. However, uncertainty on these assumptions and estimates could lead to results that require that assets' or liabilities' book values be significantly adjusted in future periods.

b. Estimates and assumptions

The main assumptions regarding sources of uncertainties in estimates for the future and other significant uncertainties related to the estimates in the balance sheet date, involving the risk of requiring significant adjustments in the book value of assets and liabilities in the next fiscal year are as follows.

i. Transactions with stock-based payments

The Group measures the cost of transactions settled with employees' shares based on the fair value of equity instruments at the date of their respective granting. Estimates of share-based payments' fair values require the most adequate evaluation method for the granting of equity instruments, which depends on grant terms and conditions. This also

requires determining the most appropriate data for evaluation model, including the expected life of the option, volatility and dividend income yield and related assumptions. Assumptions and models used in fair value estimates of share-based payments are explained in note 23.

ii. Taxes

There are uncertainties in relation to the interpretation of complex tax regulations and the amount and timing of future taxable income. Considering the many issues involved in business relationships, as well as the long-term nature and the complexity of existing contractual instruments, differences between actual income and the adopted assumptions, or future changes in those assumptions, may lead to the necessity of future adjustments in already recorded tax expenses and income.

The deferred tax asset is recognized for all tax loss carryforwards not utilized to the extent that it is probable that there will be future taxable income against which they can be offset. Substantial judgment from Management is required to determine the amount of the deferred income tax and social contribution asset that can be recognized, based on the probable term and amount of future taxable income, along with future tax planning strategies.

iii. Fair value of financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted by the market, when possible. However, when such data are not available, a certain level of judgment is required to establish the fair value. Judgment includes considerations on the data utilized, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments.

iv. Definition and review of useful life of fixed and intangible assets

Useful lives of property, plant and equipment items and intangible assets are established based on assumptions that take into consideration the history of assets and intangible assets that have already been depreciated or amortized and on future projections that are based on estimates that may not be realized as foreseen, and may significantly differ from the originally estimated amount.

i. Impairment loss for non-financial assets (note 3.i.i)

ii. Fair value of biological assets (note 3.e)

iii. Provisions for tax, civil and labor risks (note 3.n).

5 Consolidated financial statements

Consolidated financial statements include operations of the Company and the following subsidiaries, whose equity interest as of the balance sheet date is as follows:

Companies	Subsidiarie Directs %	Indirects %	Main activity	Location
Fazenda Planorte Empreendimentos Agrícolas Ltda.	100.0	-	Culture of cotton, soybean and corn.	Mato Grosso - MT
Fazenda Paiaguás Empreendimentos Agrícolas Ltda.	100.0	-	Culture of cotton, soybean and corn.	Mato Grosso - MT
Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100.0	-	Culture of cotton, soybean and corn.	Maranhão - MA
Fazenda Perdizes Empreendimentos Agrícolas Ltda.	100.0	-	Culture of cotton, soybean and corn.	Mato Grosso - MT
SLC Empreendimentos e Agricultura Ltda.	88.5	11.5	Leasing of crop land.	Rio Grande do Sul - RS
SLC Agrícola Pejuçara Ltda.	89.3	10.8	Culture of cotton, soybean and corn.	Mato Grosso - MT
SLC LandCo Empreendimentos Agrícolas S.A.	-	82.3	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	82.3	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Piratini Empreendimentos Agrícolas Ltda	-	82.3	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	82.3	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Parceiro Empreendimentos Agrícolas Ltda.	-	100.0	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Paineira Empreendimentos Agrícolas Ltda.	-	100.0	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Pioneira Empreendimentos Agrícolas S.A.	50.0	-	Culture of soybean and corn.	Mato Grosso - MT
SLC-MIT Empreendimentos Agrícolas S.A.	50.1	-	Culture of cotton and corn.	Rio Grande do Sul - RS

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

On May 29, 2013, the shareholders agreement was signed for the development of activities of production and marketing of agricultural commodities by the Soares Penido Obras, Construções e Investimentos S.A. ("Grupo Dois Vales"). The activity will be conducted in the locality of Querencia / MT through its subsidiary Fazenda Pioneira Empreendimentos Agrícolas S.A., known as "Pioneira Farm". Pursuant to the Agreement, the Company has 50% equity interest in Pioneira Farm while Dois Vales owns Group the remaining shares.

On August 30, 2013, the company was started between SLC Agrícola SA and Mitsui & Co., Ltd. (Mitsui), through the company SLC-MIT Empreendimentos Agrícolas SA (SLC-MIT), which will be headquartered in Porto Alegre / RS and agricultural activities will be developed in its subsidiary, located in Sao Desiderio / BA. Pursuant to the Agreement, the Company has a 50.1% shareholding in SLC-MIT Mitsui and others 49.9%.

The Company and the board of directors of Pioneira Farm and SLC-MIT assessed the requirements for determining control of the investee, as determined by CPC 36 (R3), and it was found that the relevant activities that significantly affect the investee's returns will be executed by the Company, so that the efficiency of this execution will result in variations in the results and equity of the investee and the returns for both partners. There is significant evidence that the Company has the all following attributes: power over the investee; exposure, or rights, to variable returns arising from its involvement with the investee, and the ability to use its power over the investee to affect the amount of their returns, it was understood that the company has control over this investee. The operations of Pioneira Farm and SLC-MIT are reflected in the consolidated financial statements of the Company.

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

Description	Yields	Parent company		Consolidated	
		2013	2012	2013	2012
Cash and cash equivalents	-	**82**	511	**131**	199
CDB-DI	100.74 of CDI*	**43,622**	28,273	**97,476**	82,930
Repurchase and resale commitments	99.81% of CDI*	**96,730**	14,590	**282,632**	73,196
CP Investment Fund	99.97% of CDI*	**4,896**	485	**7,628**	485
Other investments	87.21 % of CDI*	**317**	298	**5,110**	436
		145,647	44,157	**392,977**	157,246
Cash and cash equivalents		**82,284**	30,799	**232,354**	143,888
CP Interest earnings bank deposits		**63,363**	13,358	**160,623**	13,358

(*) Average yield on December 31, 2013.

Interest-earning bank deposits are represented by investments in bank deposit certificates, purchase and sale commitments (debentures) and short-term investment funds, at market prices and rates, restated by the income earned until December 31, 2013, not exceeding the trading value.

Short-term investments are composed of purchase and sale commitments maturing over more than 90 days and a grace period for redemption in December 2013, premium saving bonds and CDBs (Bank Deposit Certificates) with a redemption period of less than 365 days, tied to the reciprocity of maintenance of balances in counter entry to release of loans.

The Group’s exposure to interest rate risks and a sensitivity analysis of financial assets and liabilities are disclosed in Note 21.

7 Trade accounts receivable

	Parent company		Consolidated	
	2013	2012	2013	2012
Domestic market	**7,687**	10,360	**11,743**	12,437
Foreign market	**30,833**	26,189	**50,695**	42,834
Total	**38,520**	36,549	**62,438**	55,271

On December 31, 2013 and December 31, 2012, the Company and its subsidiaries did not have securities whose performance is uncertain and, overdue, therefore, did not recognize an allowance for doubtful accounts.

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

8 Inventories

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012**
Agricultural products	**123,580**	103,604	**184,690**	166,531
Agricultural products - formation costs	**95,228**	106,150	**142,198**	156,581
Agricultural products – Adjustment at fair value for biological assets	**28,352**	(2,546)	**42,492**	9,950
Seeds, composts, fertilizers and pesticides	**165,575**	129,038	**258,041**	200,182
Packages and containerization material	**2,966**	5,227	**4,016**	7,199
Spare parts	**2,937**	2,950	**4,606**	4,225
Advances to suppliers	**24,974**	9,851	**53,797**	29,217
Other inventories	**5,206**	2,752	**9,881**	4,902
Provisions for inventory adjustment	**(155)**	(4,285)	**(212)**	(4,437)
	325,083	249,137	**514,819**	407,819

On December 31, 2013, the Company recorded provision for adjustment to market value, where the movement was as follows:

	Parent company	Consolidated
Balance at December 31, 2011	(4,285)	(4,437)
Formation of provision	(20,861)	(26,181)
(-) Reversal of provision	24,991	30,406
Balance at December 31, 2012	(155)	(212)

9 Biological assets

	Parent Company								
	Current						Non-current		
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane	Total
Balances at December 31, 2012	69,969	78,910	22,741	1,710	3,467	176,797	6,019	-	6,019
Expenditures with planting	173,252	285,351	58,385	4,638	15,135	536,761	-	1,492	1,492
Variation of the fair value	(17,693)	68,411	(23,754)	(43)	1,989	28,910	(2,863)	-	(2,863)
Harvest of the agricultural product	(140,989)	(341,219)	(32,112)	(4,928)	(16,287)	(535,535)	-	(187)	(187)
Balances at December 31, 2013	**84,539**	**91,453**	**25,260**	**1,377**	**4,304**	**206,933**	**3,156**	**1,305**	**4,461**
Agricultural products – formation costs	80,680	89,757	25,260	1,377	4,304	201,378			
Biological Assets – Adjustment at fair value	3,859	1,696	-	-	-	5,555			

	Consolidated								
	Current						Non-current		
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane	Total
Balances at December 31, 2012	**144,978**	**123,912**	**29,534**	**1,670**	**3,310**	**303,404**	**6,174**	-	6,174
Expenditures with planting	328,525	460,682	94,934	4,644	17,683	906,468	-	1,492	1,492
Variation of the fair value	30,315	119,555	(6,491)	(43)	2,736	146,072	(2,863)	-	(2,863)
Harvest of the agricultural product	(309,272)	(556,136)	(88,119)	(4,928)	(19,008)	(977,463)	(155)	(187)	(342)
Balances at December 31, 2013	**194,546**	**148,013**	**29,858**	**1,343**	**4,721**	**378,481**	**3,156**	**1,305**	**4,461**
Agricultural products – formation costs	176,551	138,999	29,858	1,343	4,721	351,472			
Biological Assets – Adjustment at fair value	17,995	9,014	-	-	-	27,009			

The balances of crops under formation are mostly represented by expenses incurred for the formation of the crops such as: seeds, fertilizers, pesticides, depreciations and labor applied in the plantations.

Soybean, corn and cotton crops normally occur in the following periods:

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

The expected[1] planted area for the 2013/14 crop year is as follows:

	Soybean	Cotton	Corn	Other crops[2]	Total
Area in hectares	185,120	93,679	50,430	14,724	343,953

(1) By the end of the planting, the area of agricultural planning can change the planting plan due to stormy weather.

(2) The other crops include the crops of coffee, wheat, corn (seed) and sugarcane.

10 Recoverable taxes

	Parent company		Consolidated	
	2013	2012	2013	2012
Income tax	**60**	2,034	**161**	3,768
Social contribution	**37**	31	**369**	2,362
ICMS	**35,474**	29,918	**49,881**	37,908
COFINS	**22,307**	13,229	**36,591**	28,832
PIS	**4,561**	2,873	**7,991**	6,606
IRRF recoverable	**1,071**	1,432	**2,536**	2,114
Other	**1,211**	411	**1,558**	488
	64,721	49,928	**99,087**	82,078
(-) Portion classified in current assets	**(54,362)**	(45,972)	**(78,361)**	(77,159)
Portion classified in non-current assets	**10,359**	3,956	**20,726**	4,919

Income and social contribution taxes

Corresponding to the income tax and social contribution, which will be realized upon compensation with taxes and federal contributions.

ICMS, PIS and COFINS to offset/recover

These items refer to credits generated in the regular operations of the Company and its subsidiaries, and may be offset with taxes of the same nature.

IRRF recoverable

Corresponds to the income tax withheld on cash investments. These credits are realizable through offset against federal taxes and contributions.

11 Investments

	Parent company	
	2013	2012
Interest in subsidiaries	**1,843,453**	1,702,954

Relevant investments in subsidiaries, evaluated at the equity method, are as follows:

	Fazenda Parnaíba Emp. Agr. Ltda.	Fazenda Planorte Emp. Agr. Ltda.	Fazenda Paiaguás Emp. Agr. Ltda.	SLC Agrícola Pejuçara Ltda. (2)	Fazenda Perdizes Emp. Agr. Ltda.	Fazenda Pioneira Emp. Agr. S.A. (3)	SLC-MIT Emp. Agr. S.A	SLC Empreend. e Agric. Ltda. (1) e (2)	2013	2012
Current assets	146,075	117,289	122,673	88,930	22,069	23,217	73,296	101,879		
Non-current assets	305,084	269,123	216,377	14,956	25,598	54,954	16,379	1,524,734		
Current liabilities	115,895	94,417	91,838	39,034	10,217	33,005	24,774	106,546		
Non-current liabilities	87,623	61,023	23,968	6,466	28,227	14,451	5,085	242,157		
Revenues	157,511	145,749	202,037	86,905	26,257	927	1,667	91,403		
Expenses	(138,619)	(123,035)	(170,377)	(71,626)	(28,566)	(1,790)	(1,418)	(50,168)		
Capital	45,650	57,050	40,009	32,165	11,498	31,672	60,120	484,892		
Shareholders' equity	247,641	230,972	223,243	57,516	9,223	30,715	59,815	1,170,566		
Net income (loss) for the period	18,892	22,714	31,660	15,279	(2,309)	(863)	249	41,235		
Quantity of shares/quotas of the capital										
Common shares (thousand)	45,650	57,050	40,009	46,542	11,498	31,672	60,120	130,604		
Preferred shares (thousand)	-	-	-	-	-	-	-	28,134		
Percentage of interest (%)	100.0%	100.0%	100.0%	89.25%	100.0%	50.0%	50.1%	88.48%		
Opening balances	228,690	218,591	222,146	44,085	11,532	-	-	977,910	**1,702,954**	1,523,663
Paid-up capital	-	-	-	-	-	15,836	30,120	18,930	**64,886**	109,885
Gain in the variation in interest	-	-	160	-	-	-	-	1,799	**1,959**	10,666
Unrealized gain/(loss) with hedge instruments	266	1,101	459	37	-	(47)	(248)	-	**1,568**	6,521
Capital investment gain (loss)	-	-	(1,854)	-	-	-	-	14,432	**11,150**	(1,502)
Dividends	-	(10,000)	(30,000)	(1,428)	-	-	(30)	(13,840)	**(58,868)**	-
Variation costs allocated assets	(207)	(1,434)	673	-	-	-	-	-	**(968)**	-
Equity in income of subsidiaries and associated companies	18,892	22,714	31,660	13,637	(2,309)	(432)	125	36,485	120,772	53,721
Closing balances	247,641	230,972	223,244	51,333	9,223	15,358	29,967	1,035,716	1,843,453	1,702,954

(1) Shareholders' equity was adjusted in the amount of R$24,213 and net income in the amount of R$166 (negative), relating to unrealized results between the Companies, net of tax impacts.

(2) The Company controls 100% of SLC Empreendimentos e Agricultura Ltda. and SLC Agrícola Pejuçara Ltda through its subsidiary Fazenda Paiaguás Empreendimentos Agrícolas S.A.

(3) The Company believes it has control over the Fazenda Pioneira Empreendimentos Agrícolas S.A. to be responsible for the management of the relevant activities of this company, as described in note 5.

12 Property, plant and equipment

Parent company

Cost of the gross fixed assets	Balance on 2012	Acquisitions	Write-offs	Transfers	**Balance on 2013**
Crop lands	6,069	-	(6,069)	-	**-**
Soil correction and development	227,085	30,562	(5,101)	58	**252,604**
Buildings and improvements	77,891	74	(1,516)	14,932	**91,381**
Agricultural equipment and industrial facilities	351,996	34,293	(11,659)	379	**375,009**
Vehicles	18,458	3,032	(832)	-	**20,658**
Furniture and fixtures	8,535	512	(30)	6	**9,023**
Equipment and facilities of the office	4,337	895	(220)	-	**5,012**
Permanent crops	1,247	106	(324)	-	**1,029**
Advances to suppliers	8,261	4,124	(8,137)	-	**4,248**
Works in progress	15,553	7,489	-	(15,375)	**7,667**
Total	719,432	81,087	(33,888)	-	**766,631**

Depreciation	Balance on 2012	Depreciation	Write-offs	Transfers	**Balance on 2013**
Soil correction and development	123,247	34,161	(249)	-	**157,159**
Buildings and improvements	7,307	2,082	(2)	-	**9,387**
Agricultural equipment and industrial facilities	114,800	32,000	(6,523)	-	**140,277**
Vehicles	8,496	1,246	(578)	-	**9,164**
Furniture and fixtures	2,019	720	(21)	-	**2,718**
Equipment and facilities of the office	2,563	369	(182)	-	**2,750**
Total	258,432	70,578	(7,555)	-	**321,455**

Net residual value	2012	2013
Crop lands	6,069	**-**
Soil correction and development	103,838	**95,445**
Buildings and improvements	70,584	**81,994**
Agricultural equipment and industrial facilities	237,196	**234,732**
Vehicles	9,962	**11,494**
Furniture and fixtures	6,516	**6,305**
Equipment and facilities of the office	1,774	**2,262**
Permanent crops	1,247	**1,029**
Advances to suppliers	8,261	**4,248**
Works in progress	15,553	**7,667**
Total	461,000	**445,176**

Consolidated

Cost of the gross fixed assets	Balance on 2012	Acquisitions	Write-offs	Transfers	Balance on 2013
Crop lands	1,825,873	53,468	(23,828)	-	**1,855,513**
Soil correction and development	336,045	64,018	(5,421)	58	**394,700**
Buildings and improvements	201,303	475	(175)	17,447	**219,050**
Agricultural equipment and industrial facilities	580,375	80,753	(34,203)	216	**627,141**
Vehicles	30,609	7,508	(1,900)	-	**36,217**
Furniture and fixtures	10,607	991	(81)	6	**11,523**
Equipment and facilities of the office	9,791	1,672	(440)	(1)	**11,022**
Permanent crops	5,085	373	(343)	15	**5,130**
Advances to suppliers	9,662	16,677	(20,701)	-	**5,638**
Works in progress	17,436	36,808	(408)	(17,741)	**36,095**
Total	3,026,786	262,743	(87,500)	-	**3,202,029**

Depreciation	Balance on 2012	Depreciation	Write-offs	Transfers	Balance on 2013
Soil correction and development	189,884	47,762	(254)	-	**237,392**
Buildings and improvements	35,646	5,134	(10)	-	**40,770**
Agricultural equipment and industrial facilities	186,695	46,801	(16,790)	-	**216,706**
Vehicles	13,211	1,877	(1,280)	-	**13,808**
Furniture and fixtures	2,812	900	(68)	-	**3,644**
Equipment and facilities of the office	3,773	795	(396)	-	**4,172**
Permanent crops	194	-	-	-	**194**
Total	432,215	103,269	(18,798)	-	**516,686**

Net residual value	2012	2013
Crop lands	1,825,873	**1,855,513**
Soil correction and development	146,161	**157,308**
Buildings and improvements	165,657	**178,280**
Agricultural equipment and industrial facilities	393,680	**410,435**
Vehicles	17,398	**22,409**
Furniture and fixtures	7,795	**7,879**
Equipment and facilities of the office	6,018	**6,850**
Permanent crops	4,891	**4,936**
Advances to suppliers	9,662	**5,638**
Works in progress	17,436	**36,095**
Total	2,594,571	**2,685,343**

On December 31, 2013, the construction in progress was substantially represented by improvements in the building of the cotton gin at Paiaguás, Pejuçara, Panorama, Pamplona, Planalto and Palmares farms in the amount of R$969, grain storage unit at the Parnaíba, Pejuçara, Perdizes, Pioneira, Planorte, Paineira, Planeste and Panorama farms in the amount of R$21,634 and infrastructure works (improvements, roads, depots, etc.) in the amount of R$13,492. The amount of interest that was capitalized to construction in progress in the period of December 31, 2013 was R$929 (R$1,073 on December 31, 2012). The capitalization rate used to determine the capitalizable loan costs was 4.34% p.a.

On December 31, 2013, there were fixed assets provided as guarantee against bank loans in the amount of R$449,526 (R$340,039 on December 31, 2012).

13 Balances and transactions with related parties

On December 31, 2013 and 2012, the related party balances and transactions are comprised as follow:

a. Related party balances

Balances receivable with related parties

	Other accounts receivable		Loans receivable		Advances for future capital increase		Total accounts receivable	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Direct subsidiaries								
Fazenda Planorte Empreendimentos Agrícolas Ltda	-	-	-	3	-	-	-	3
Fazenda Parnaíba Empreendimentos Agrícolas Ltda	184	345	-	739	-	-	184	1,084
Fazenda Paiaguás Empreendimentos Agrícolas Ltda	809	2,153	-	31	-	-	809	2,184
SLC Agrícola Pejuçara Ltda	1,848	1,691	-	1,011	-	-	1,848	2,702
SLC Agrícola Perdizes Ltda	800	616	-	-	27,749	-	28,549	616
SLC Empreendimentos e Agricultura Ltda	86	6,989	-	-	-	2,162	86	9,151
Fazenda Pioneira Empreendimentos Agrícolas Ltda	120	-	-	-	-	-	120	-
SLC - MIT Empreendimentos Agrícolas Ltda	8,243	-	-	-	-	-	8,243	-
Indirect subsidiaries								
SLC LandCo Empreendimentos Agrícolas Ltda	-	4	-	-	-	-	-	4
Fazenda Piratini Empreendimentos Agrícolas Ltda	407	-	-	-	-	-	407	-
Fazenda Paineira Empreendimentos Agrícolas Ltda	25	-	-	-	-	-	25	-
Fazenda Parceiro Empreendimentos Agrícolas Ltda	25	-	-	-	-	-	25	-
Parent company								
SLC Participações S.A.	4	4	-	-	-	-	4	4
Total	**12,551**	11,802	**-**	1,784	**27,749**	2,162	40,300	15,748

Balances payable with related parties

	Leases payable		Other accounts payable		Loans payable		Total payable	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Direct subsidiaries								
Fazenda Planorte Empreendimentos Agrícolas Ltda	-	-	885	228	-	-	885	228
Fazenda Parnaíba Empreendimentos Agrícolas Ltda	-	-	-	-	1,625	-	1,625	-
Indirect subsidiaries								
SLC Empreendimentos e Agricultura Ltda	-	7,415	-	-	-	-	-	7,415
Fazenda Panorama Empreendimentos Agrícolas Ltda	1,795	3,502	-	-	-	-	1,795	3,502
Fazenda Planeste Empreendimentos Agrícolas Ltda	2,464	4,456	-	-	-	-	2,464	4,456
Fazenda Piratini Empreendimentos Agrícolas Ltda	942	1,446	-	-	-	-	942	1,446
Fazenda Parceiro Empreendimentos Agrícolas Ltda	750	751	-	-	-	-	750	751
Fazenda Paineira Empreendimentos Agrícolas Ltda	657	585	-	-	-	-	657	585
Other related parties	-	-	56	139	-	-	56	139
Total	**6,608**	18,155	**941**	367	**1,625**	-	**9,174**	18,522

The Company and its subsidiaries maintain loans for consumption with one another, represented by checking account, whose index is equivalent to 99% of the nominal variation of the CDI-OVER rate, maturing in indefinite periods.

SLC Participações S.A. is the Company's final controlling shareholder. There are no significant transactions with the final 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	Financial expenses - Interest and monetary variation
Fazenda Planorte Emprendimentos Agrícolas Ltda					
Total at 12/31/2013	284	-	924	15	1
Total at 12/31/2012	-	-	15	42	-
Fazenda Parnaíba Emprendimentos Agrícolas Ltda					
Total at 12/31/2013	2,453	-	2,854	484	51
Total at 12/31/2012	907	-	468	276	-
Fazenda Paiaguás Emprendimentos Agrícolas Ltda					
Total at 12/31/2013	87	-	1,188	4	3
Total at 12/31/2012	1,027	-	208	67	2
SLC Agrícola Pejuçara Ltda					
Total at 12/31/2013	144	-	251	2	-
Total at 12/31/2012	15	-	12	3	-
SLC Empreendimentos e Agricultura Ltda					
Total at 12/31/2013	-	30,304	-	281	196
Total at 12/31/2012	-	29,819	-	26	332

	Sales of goods/ products/ property, plant and equipment	Lease costs	Purchases of goods/ products	Financial income - Interest and monetary variation	Financial expenses - Interest and monetary variation
Fazenda Panorama Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	-	6,366	-	307	-
Total at 12/31/2012	-	6,490	-	-	1,365
Fazenda Planeste Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	-	7,100	-	514	-
Total at 12/31/2012	-	8,679	-	-	1,969
Fazenda Piratini Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	-	2,389	-	173	-
Total at 12/31/2012	5,846	2,917	-	-	685
Fazenda Parceiro Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	-	2,200	-	-	-
Total at 12/31/2012	-	793	-	-	-
Fazenda Paineira Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	-	1,822	-	-	-
Total at 12/31/2012	-	726	-	-	-
Fazenda Perdizes Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	17	-	-	-	-
Fazenda Pioneira Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	1,671	-	-	-	-
SLC-MIT Empreendimentos Agrícolas Ltda					
Total at 12/31/2013	17,810	-	-	-	-
Outras Empresas					
Total at 12/31/2013	-	-	249	-	-
Total at 12/31/2012	-	-	222	4	-
Total					
Total at 12/31/2013	**22,466**	**50,181**	**5,466**	**1,780**	**251**
Total at 12/31/2012	7,795	49,424	925	418	4,353

c. Lease contract

The object of the rural lease contract is the delivery of pieces of land, facilities and other assets by the lessor to the lessee, so that the latter explores agricultural activities such as planting of cotton, soybean, corn, sorghum, coffee, beans and peas in exchange for an amount considered as lease price.

A rural lease signed with the subsidiary SLC Empreendimentos e Agricultura Ltda and its subsidiaries for an indefinite period took effect on January 2, 2011. This lease can be reviewed at any time, if market changes occur that render its balance unviable and cause an excessive burden on one of the parties.

Beginning as of September 01, 2012, the rural lease contract entered into with the (indirect) subsidiary SLC Landco Empreendimentos Agrícolas S.A. and its subsidiaries for a minimum period of 20 years became effective.

On December 31, 2013, the lease annual price of R$57,285, referring to the 2013/14 crop, can be demonstrated as follows:

Farm		Amount	Farm		Amount
Planalto Farm	R$	7,483	Paiaguás Farm	R$	8,677
Pamplona Farm	R$	5,902	Pejuçara Farm	R$	1,207
Planeste Farm	R$	7,371	Paineira Farm	R$	1,965
Panorama Farm	R$	5,372	Parceiro Farm	R$	2,245
Piratini Farm	R$	2,818	Perdizes Farm	R$	4,830
Palmares Farm	R$	7,315	Parnagua Farm	R$	2,100

Lease price is paid on an annual basis in Brazilian Reais or translated at over–the-counter quotation of soybean sack in each region on payment day, according to contract clause. Soybean sack price must be established by the lessor at least 15 days in advance, without provision for re-agreement.

d. Management compensation

The Company considers as key management personnel non-remunerated Board members, remunerated Independent Board members and Officers (statutory and non-statutory).

Officers are remunerated through management fees and salaries paid in payroll. Total management remuneration, including bonuses and other benefits, is presented in a specific caption of the statement of income, as follows:

	Parent company		Consolidated	
	2013	2012	2013	2012
Directors fee	**2,932**	3,387	**2,932**	3,387
Bonuses	**668**	808	**668**	808
Charges	**965**	1,088	**965**	1,088
Stock option plan	**2,190**	1,765	**2,190**	1,765
Other benefits	**(28)**	16	**(28)**	16
Board of Directors, Statutory Executive Board and Fiscal Council	**6,727**	7,064	**6,727**	7,064
Directors fee	**387**	209	**1,015**	628
Bonuses	**112**	-	**261**	143
Charges	**53**	42	**259**	196
Stock option plan	**186**	33	**186**	33
Other benefits	**1**	-	**9**	3
Non Statutory Executive Board	**739**	284	**1,730**	1,003
Total	**7,466**	7,348	**8,457**	8,067

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

14 Loans and financing

		Average annual interest rates (%)		Parent company		Consolidated	
	Index	2013	2012	2013	2012	2013	2012
Used in the Property, plant and equipment							
Finame - BNDES	Fixed and long-term interest rate*	**5.42%**	6.31%	**86,789**	25,499	**123,880**	37.026
Constitutional Funds**	-	**7.38%**	7.29%	**35,227**	57,916	**56,776**	90.984
Investment financing	US$ and Libor***	**5.54%**	5.74%	**18,961**	21,276	**18,961**	21.276
				140,977	104,691	**199,617**	149.286
Invested in Working Capital							
Rural credit	-	**6.99%**	6.11%	**184,452**	86,406	**307,311**	174.743
Constitutional Funds**	-	**7.23%**	7.23%	**91,991**	-	**136,981**	29.198
Working Capital	-	**12.16%**	8.31%	**40,088**	80,151	**65,738**	90.162
Export financing	CDI	**10.77%**	-	**100,085**	-	**100,085**	-
Export financing	US$, Libor + Pre	**3.92%**	4.05%	**360,557**	367,471	**360,557**	367.471
				777,173	534,028	**970,672**	661.574
				918,150	638,719	**1,170,289**	810.860
Portion classified in current assets				**481.354**	290,100	**692,418**	435,498
Installment classified in non-current				**436.796**	348,619	**477,871**	375,362

(*) Long-term interest rate (TJLP)

(**) To calculate the average cost of the Constitutional Funds we considered a 15% discount relating to the compliance bonus levied on these operations.

(***) Libor (London Interbank Offer Rate): Interest rate charged by London banks used as reference for most loans of the international financial system.

Finame – BNDES – Investment facility of the Brazilian National Development Bank (BNDES). Guaranteed by financed assets and collateral signatures of the Company or SLC Participações S.A. Amortizations are performed on a monthly, quarterly,

semiannual or annual basis, and will occur between the periods of 01/15/2014 to 11/15/2023.

Constitutional Funds – Investment and working capital facility of the Northeast Fund (FNE) and Center-West Fund (FCO). Guaranteed by collateral signatures of the Company or SLC Participações S.A., and, in some transactions, by land pledge and mortgages. The periodicity of their amortizations is annual or semiannual, with maturities between 04/01/2014 and 02/01/2018.

Investment Financing - Investment line intended for machinery and equipment, where the periodicity of the amortizations is semiannual with final maturity on 04/15/2017. Guaranteed by collateral signatures of SLC Participações S.A. and by financed machines.

Rural Credit – Funds intended to cover crop costs and trading, whose rules, purposes and conditions are established in the Rural Credit Guide (MCR) prepared by the Brazilian Central Bank. Guaranteed by collateral signatures of the Company or SLC Participações S.A., and, in some transactions, by the crop. The periodicity of their amortizations is annual, with maturities between 06/23/2014 and 11/30/2014.

External Loans – Financing of long-term exports captured in dollar indexed to 6-month libor (London Interbank Offered Rate) plus pre-fixed rate: NCE (Export Credit Note) and PPE (Export prepayment), the periodicity of their amortizations is annual or six-month period, final maturity on 04/09/2019. Guaranteed by collateral signatures of the Company or SLC Participações S.A. with land mortgage or "*clean"*. These contracts provide for compliance with certain commitments *(covenants*) approved by SLC Agrícola (Current Liquidity, Third parties' Interest, Net Financial Debt over EBITDA and Cash Liquidity).

Working Capital – very short-term credit facility intended to supply cash needs, with maturities between 01/22/2014 and 11/28/2014. Guarantees not required.

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

	Parent company		Consolidated	
Years of maturity	2013	2012	2013	2012
2013	**-**	290,100	**-**	435,498
2014	**481,354**	109,633	**692,418**	124,793
2015	**154,789**	94,085	**167,725**	102,022
2016	**127,958**	64,112	**136,143**	66,249
2017	**62,497**	43,679	**69,220**	44,345
2018	**40,127**	19,109	**45,308**	19,775
After 2018	**51,425**	18,001	**59,475**	18,178
	918,150	638,719	**1,170,289**	810,860

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

Financial covenants

Contracts classified as "External Loans", previously described, provide for compliance with financial obligations (covenants) at yearend base dates. They are described as follows:

i. Current Liquidity Index (AC/PC): current assets divided by consolidated current liabilities, equal to or higher than 1.2 times.

ii. Total Consolidated liabilities/tangible Shareholders' equity: total liabilities divided by shareholders' equity less consolidated intangible assets, equal to or lower than 1.5 times.

iii. Net Leverage (Total Net Financial Debt/EBITDA): total loans and financing, less cash, bank and "cash equivalents" position, less short-term investments, divided by operating income before interest, income tax, depreciation and amortization of prior 12 months, equal to or lower than 4.0 times.

iv. Consolidated cash liquidity: cash, banks, and "cash equivalents" position plus short-term investments, equal to or higher than R$75,000,000.00.

The Company is compliant with agreement clauses.

15 Provision for tax, environmental and labor risks

On December 31, 2013, the Company recorded provision for labor contingencies in the amount of R$793 (R$1,226 in the consolidated statement) and R$1,311 on December 31, 2012 (R$2,101 consolidated), which refer to lawsuits filed by former employees, whose likelihood of loss was indicated as probable by our legal advisors. The provision for contingencies is recorded in caption labor and social security provisions in current liabilities. The Company has the amount of R$3,634 (R$5,125 in the consolidated statement), relating to labor proceedings whose loss was considered possibly by the legal advisors, and consequently, no provision was recorded for these lawsuits.

The Company recorded a provision for environmental claims in the amount of R$ 400 (R$ 400 in the consolidated), whose likelihood of loss is assessed as probable by our legal counsel. The provision for environmental process is recorded under other provisions in current liabilities. The Company also identifies the existence of environmental contingence whose risk of loss processes, in accordance with its legal counsel, it is possible for the amount of approximately R$2,084 in parent company (R$8,131 at December 31, 2012) and R$ 2,400 in consolidated (R$8,447 at December 31, 2012), for which no provision was recorded. These processes refer to actions brought by the Brazilian Institute of Environment and Renewable Natural Resources - IBAMA and the Environmental Police in Cassilândia - MS.

We present below the movement of provisions:

	Parent company			
	Tax	**Labor**	**Environmental**	**Total**
Balance at December 31, 2012	160	1,311	-	1,471
New lawsuits/ supplements	-	399	400	799
(-) Reversals	-	(917)	-	(917)
Balance at December 31, 2013	160	793	400	1,353

	Consolidated			
	Tax	**Labor**	**Environmental**	**Total**
Balance at December 31, 2012	160	2,101	-	2,261
New lawsuits/ supplements	-	675	400	1,075
(-) Reversals	-	(1,550)	-	(1,550)
Balance at December 31, 2013	160	1,226	400	1,786

As of December 31, 2009, the Company recorded a reserve for tax contingencies in the amount of R$160 (parent company and consolidated), as defeated party's fees, referring to a lawsuit against the Union to declare the right of considering BTNF value adjusted at IPC variation over 1990, for the adjustment its financial statements for inflation in 1990,

whose likelihood of loss is probable, according to legal advisors. Tax value was deposited in escrow. On December 31, 2013 the Company has an amount of R$ 2,800 (R $ 2,800 in consolidated) for the tax processes whose loss was considered possible by legal counsel and, accordingly, no provision for these shares was recorded.

The Company respects and tries to comply with all environmental matters, legal or otherwise, being environment, employees and other stakeholders one of the key commitments of its work, which combines the use of state of the art agricultural techniques with the adoption of sustainability practices. These actions are greater than mere compliance with law and are strengthened by the current process of implementing an Integrated Management System (SGI) supported by standards ISO 14001:2004 (Environmental Management), OHSAS 18001:2007 (Occupational Health and Safety) and NBR 16001:2004 (Social Responsibility Management).

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

16 Deferred income and social contribution taxes

Deferred income tax and social contribution of the following nature were established:

	Parent company					
	2013			2012		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**39**	**14**	**53**	1,071	386	1,457
Provision for PPR	**1,409**	**507**	**1,916**	721	260	981
Provision for tax losses	**500**	**180**	**680**	500	180	680
Operations with derivatives	**14,278**	**5,138**	**19,416**	9,333	3,359	12,692
Provision for Senar	**752**	**271**	**1,023**	603	260	863
Others	**1,082**	**389**	**1,471**	1,195	387	1,582
Tax losses and negative basis	**40,775**	**14,876**	**55,651**	15,829	5,896	21,725
	58,973	**21,375**	**80,348**	29,390	10,728	40,118
Liabilities:						
Incentivized depreciation from rural activity*	**57,265**	**20,616**	**77,881**	51,423	18,512	69,935
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	**24,412**	**8,788**	**33,200**	26,172	9,421	35,593
Fair value of biological assets	**8,812**	**3,172**	**11,984**	1,122	404	1,526
Capitalization of interest on borrowings	**1,244**	**448**	**1,692**	1,126	405	1,531
	97.272	**35.018**	**132.290**	85.382	30.736	116.118
Total net	**(38,299)**	**(13,643)**	**(51,942)**	(55,992)	(20,008)	(76,000)
Classified as noncurrent liabilities	**(38,299)**	**(13,643)**	**(51,942)**	(55,992)	(20,008)	(76,000)

	Consolidated					
	2013			2012		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**53**	**19**	**72**	1,109	400	1,509
Provision for PPR	**1,924**	**691**	**2,615**	963	347	1,310
Provision to tax losses	**500**	**180**	**680**	500	180	680
Provision for transaction cost share issuance	**-**	**-**	**-**	1,549	557	2,106
Operations with derivatives	**21,746**	**7,853**	**29,599**	16,430	5,914	22,344
Provision for Senar	**1,303**	**471**	**1,774**	989	355	1,344
Others	**2,919**	**1,024**	**3,943**	1,606	579	2,185
Tax losses and negative basis	**53,491**	**19,453**	**72,944**	17,979	6,670	24,649
	82,074	**29,691**	**111,765**	41,263	15,002	56,265

	Consolidated					
	2013			2012		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Liabilities:						
Incentivized depreciation from rural activity*	**94,576**	**33,944**	**128,520**	80,841	28,985	109,826
Bargain gain on acquisition of equity interest	**5,648**	**2,033**	**7,681**	5,647	2,033	7,680
Deemed cost from property, plant and equipment	**267,586**	**97,186**	**364,772**	277,300	100,568	377,868
Fair value of biological assets	**17,710**	**6,377**	**24,087**	10,237	3,686	13,923
Capitalization of interest on borrowings	**1,906**	**688**	**2,594**	1,674	602	2,276
Others	**-**	**-**	**-**	397	143	540
	387,426	**140,228**	**527,654**	376,096	136,017	512,113
Net total	**(305,352)**	**(110,537)**	**(415,889)**	(334,833)	(121,015)	(455,848)
Classified in non-current assets	**2,885**	**1,039**	**3,924**	1,684	607	2,291
Classified in the non-current liabilities	**(308,237)**	**(111,576)**	**(419,813)**	(336,517)	(121,622)	(458,139)

(*) According to tax law, agricultural companies may benefit from early depreciation of its investments in agriculture.

The Company and its subsidiaries, based on their expectations of generating future taxable income, based on a technical study prepared by the Management, recognized tax credits on tax losses, negative basis of social contribution and temporary differences, for which there is no statutory limitation period. The book value of deferred assets is reviewed annually by the Company, and the adjustments have not been significant as initially estimated by Management. The technical study considers investments and income tax reduction incentives of up 75% on income from exploration of farms located in benefited regions.

Based on the technical study regarding estimated generation of future taxable income, the Company foresees the recovery of tax credits in the following years:

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012**
2013	**-**	37,449	**-**	49,984
2014	**38,193**	978	**43,387**	3,545
2015	**29,936**	1,691	**33,436**	2,736
2016	**12,219**	-	**25,967**	-
2017	**-**	-	**3,122**	-
2018	**-**	-	**5,853**	-
	80,348	40,118	**111,765**	56,265

The expected recoverability of the tax credits is based on the projections of future taxable income taking into consideration various business and financial assumptions. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

Reconciliation of tax expenses with official rates

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

Reconcilement of the parent company's actual rate:

	Parent company			
	2013		2012	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**84,695**	**84,695**	36,617	36,617
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	**(21,174)**	**(7,623)**	(9,154)	(3,296)
Adjustments for calculation of effective rate				
Equity income (loss)	**30,193**	**10,869**	13,430	4,835
Permanent additions	**(1,613)**	**(580)**	(1,542)	(555)
Other	**593**	**213**	(1,640)	(590)
Value recorded in the income	**7,999**	**2,879**	1,094	394
Total income and social contribution taxes		**10,878**		1,488
Deferred taxes		**10,878**		1,488
Effective rate		**-12.8%**		-4.1%

Reconciliation of the Consolidated actual rate:

	Consolidated			
	2013		2012	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**125,584**	**125,584**	72,531	72,531
Income and social contribution taxes at the nominal rate of 25% and 9%, respectively	**(31,396)**	**(11,303)**	(18,133)	(6,528)
Adjustments for calculation of effective rate				
Permanent exclusions	**134**	**48**	120	43
Permanent additions	**(5,257)**	**(1,893)**	(4,619)	(1,663)
Tax incentives of subsidiaries	**3,802**	**-**	3,152	-
Income and social contribution taxes in companies taxed by the deemed profit system	**11,512**	**4,130**	(351)	(140)
Elimination Unrealized profit	**(46)**	**(17)**	(2,876)	(1,036)
Other	**1,172**	**133**	(1,479)	(591)
Value recorded in the income	**(20,079)**	**(8,902)**	(24,186)	(9,915)
Total income and social contribution taxes		**(28,981)**		(34,101)
Deferred taxes		**17,460**		(3,577)
Current taxes		**(46,441)**		(30,524)
Effective rate		**23.1%**		47.0%

Reconciliation of deferred income tax and social contribution variation

Changes to income tax and social contribution recorded in asset and liability accounts, in consolidated, are as follows:

	Parent company			Consolidated		
	2012	2013	Variation	2012	2013	Variation
Deferred assets	-	-	-	2,291	3,924	1,633
Deferred liabilities	(76,000)	(51,942)	24,058	(458,139)	(419,813)	38,326
			24,058			39,959
Effects in the shareholders' equity						
Operations with derivatives			12,704			11,571
Deemed cost from property, plant and equipment			2,393			13,096
			15,097			24,667
Effects in the income						
Operations with derivatives			(5,980)			(4,316)
Tax loss/negative calculation basis			33,926			48,295
Incentivized accelerated depreciation			(7,946)			(18,694)
Fair value of biological assets			(10,458)			(10,164)
Other			(581)			171
			8,961			15,292

17 Securities payable – Consolidated

The Company, through its subsidiaries, has contracts referring to the purchase of land to be used and explored by it. These acquisitions are normally indexed at soybean sack quotation in the region in which the property was acquired. Accordingly, future minimum

amounts will be normally estimated in numbers of soybean sacks on each balance sheet date.

Changes to this caption are as follows:

	Indexed at Soybean sacks	Fixed price	Indexed at IGP-M	Total
Balance at December 31, 2012	**142,770**	**39,364**	**-**	**182,134**
Additions for acquisitions of areas	2,178	7,884	34,074	44,136
Payments	(40,382)	(20,557)	(3,530)	(64,469)
Monetary variation	(7,362)	-	-	(7,362)
	-	-	1,271	1,271
Balance at December 31, 2013	**97,204**	**26,691**	**31,815**	**155,710**
(-) Portion classified in current assets	**(67,988)**	**(26,691)**	**(31,815)**	**(126,494)**
Installment classified in non-current	**29,216**	**-**	**-**	**29,216**

Accounts payable future minimum payments are summarized as follows:

The future minimum payments of securities payable, in Reais and sacks of soybean, when applicable, are summarized as follows:

	Reais	Sacks
Fixed price payment	26,691	
Payments within one year	26,691	
Payments indexed to the IGP-M	31,815	
Payments within one year	31,815	
Payments indexed to the bag of soybeans	97,204	
Payments within one year	67,988	1,280,173
Payments in more than one year and up to 2 years	11,726	216,081
Payments in more than two years and up to 3 years	11,726	216,081
Payments in more than three years and up to 4 years	5,764	106,202
Payments in more than 4 years	155,710	1,818,537

18 Shareholders' equity

a. Capital

On December 31, 2012, the subscribed capital, in the amount of R$ 557,434 is represented by 98,897,500 nominative common shares, with no par value.

Nominative common shares are distributed among shareholders as follows:

	Quantity of shares	
Shareholder	**2013**	**2012**
SLC Participações S.A.	**50,469,371**	50,469,371
Management	**4,404**	5
Treasury shares	**415,285**	558,785
Other	**48,008,440**	47,869,339
Total shares of paid-in capital	**98,897,500**	98,897,500
(-) Treasury shares	**(415,285)**	(558,785)
Total shares - ex-treasury	**98,482,215**	98,338,715

b. Capital reserve – goodwill in the issue of shares

Represented by goodwill received in public share offerings occurred in June 2007 and June 2008 and by goodwill on sale of treasury shares conducted in connection with stock option plans, less costs on issuance of these shares (commissions, fees and other expenses), net of tax effects and in conformity with CPC 10 (IFRS 2).

c. Treasury shares

The Company acquired shares of its own issuance to maintain them in treasury and to be later used in the Stock Option Plan (note 23), as decided by the Board of Directors in a meeting held on October 29, 2008.

The balance of treasury stock on December 31, 2013 is R$7,019 and is composed of 415,285 shares (R$7,749 on December 31, 2012, composed of 558,785 shares).

The net goodwill in the realization of the treasury stock for the year ended December 31, 2013 was R$469 (R$1,051 on December 31, 2012). The market value of the treasury stock, calculated with a basis on the last exchange quote, prior to the closing date of the fiscal year, was R$8,472 (R$20.40 per share) on December 31, 2013 and R$10,924 (R$19.55 per share) on December 31, 2012.

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. 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. Thus, the Company did not form legal reserve for the year ended December 31, 2013.

e. Expansion reserve

In accordance with the provision of Article 194 of Law 6404/76 and Article 35 of the Company's Bylaws, a Reserve for Expansion, based on income remaining after legal and statutory deductions, will be formed to be invested in operating assets, and this reserve may not exceed capital value.

On April 17, 2013, the participants of an Ordinary General Meeting approved the allocation of the amount of R$37,320 to the Expansion Reserve.

f. Profit retention reserve

The balance on December 31, 2013 refers to the remaining balance of accumulated results of the year 2007, which was retained as a revenue retention reserve for the performance of new investments, provided for in a capital budget, in compliance with article 196 of Corporation Law.

g. Dividends

Pursuant to the Company's bylaws, the minimum compulsory dividend is calculated on 25% of remaining net income for the year after the recording of the reserves provided for by law.

On April 17, 2013, the participants of an Ordinary General Meeting approved the distribution of dividends, relating to the year ended December 31, 2012, in the total amount of R$15,242, equivalent to 40% of the adjusted net income, corresponding to R$0.154921 for each common share, based on the total number of shares (98,897,500) subtracted from the total number of treasury shares (470,085).

Dividends were calculated as follows:

	2013	2012
Net income for the year	**95,573**	38,105
Appropriation of legal reserve	**-**	-
Calculation base for the dividends proposed	**95,573**	38,105
Minimum compulsory dividend	**23,893**	9,526
Additional dividend proposed	**14,336**	5,716
Proposed dividends	**38,229**	15,242
% on the basis	**40.0%**	40.0%

h. Net earnings per share

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

The Company has one category of dilutive potential ordinary shares that relate to stock option plans. For these plans, stock options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached plans of action adopted from 2007 options. The number of shares calculated as above is compared with the number of shares outstanding, assuming the exercise of stock options plans.

	Parent company		Consolidated	
	2013	2012	2013	2012
Numerator				
Net income for the year (a)	**95,573**	38,105	**95,573**	38,105
Denominator				
Weighted average of common shares (b)	**98,419,612**	98,338,715	**98,419,612**	98,338,715
Weighted average of common shares considering dilutive effects (c)	**98,986,060**	98,911,626	**98,986,060**	98,911,626
Basic income (loss) per common share (a/b)	**0.971**	0.387	**0.971**	0.387
Diluted income (loss) per common share (a/c)	**0.966**	0.385	**0.966**	0.385

i. Adjustment over attributed fixed asset cost

Company detected some differences over attributed fixed asset cost adjustment process on December 31, 2013 totaling a decrease of R$304 over fixed assets and equity.

Management decided not to restate these values regarding former periods, accordingly CPC 23 and IAS 8, due to impacts over financial information, as well as income statement and cash flow, were considered irrelevant on the context of financial statements taken as a whole.

19 Financial income (loss)

	Parent company		Consolidated	
	2013	2012	2013	2012
Financial expenses:				
Interest paid	**(45,715)**	(32,741)	**(58,086)**	(45,881)
Foreign exchange	**(23,473)**	(18,460)	**(37,990)**	(25,607)
Monetary variation	**(20,164)**	(15,137)	**(64,301)**	(130,969)
Losses with derivative operations	**(15,961)**	(14,667)	**(11,443)**	(15,141)
Others	**(2,216)**	(2,470)	**(3,774)**	(3,809)
	(107,529)	(83,475)	**(175,594)**	(221,407)

	Parent company		Consolidated	
	2013	2012	2013	2012
Financial income:				
Income from interest-earning bank deposits	**9,103**	7,305	**19,818**	13,278
Foreign exchange	**19,610**	19,722	**34,733**	30,434
Monetary variation	**31,649**	25,310	**82,049**	85,569
Gains with derivative operations	**13,067**	18,704	**13,540**	19,107
Others	**533**	301	**559**	429
	73,962	71,342	**150,699**	148,817
Financial income (loss)	**(33,567)**	(12,133)	**(24,895)**	(72,590)

20 Commitments

20.1 Non-deliverable forward contracts

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

		Company			
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2012/13 crop					
Cotton lint	Jan-Jun/2014	28,025	15	ton	$2,031.24
2013/14 crop					
Cotton lint	Aug/2014-Mar/2015	36,604	10	ton	$1,959.28
Cotton lint	Aug-Dec/2014	1,000	1	ton	To be fixed
Soybean	Fev-May/2014	1,939,030	19	sc	$23.28
Corn	Mar-Dec/2014	666,667	5	sc	$29.69

		Consolidated			
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2012/13 crop					
Cotton lint	Jan-Jun/2014	38,073	25	ton	$2,031.24
2013/14 crop					
Cotton lint	Aug/2014-Mar/2015	58,404	16	ton	$1,959.28
Cotton lint	Aug-Dec/2014	1,000	1	ton	To be fixed
Soybean	Fev-May/2014	5,002,555	51	sc	$22.36
Corn	Mar-Dec/2014	792,333	7	sc	$29.89

20.2 Leases of third parties

On December 31, 2013, the Company and its subsidiaries have contracted 116,329 hectares for leasing from third parties, distributed as follows:

Unit	Location	Leased area (in ha)	Maturities of the contracts	Value (in bags of soybeans/ha/year)	Type of Lease
Pamplona Farm	Cristalina-GO	1,152	2014 to 2018	10	Operational
Planalto Farm	Costa Rica-MS	1,603	2014 to 2016	17.58	Operational*
Planeste Farm	Balsas-MA	15,809	2014 to 2023	1 to 11	Operational
Panorama Farm	Correntina-BA	14,404	2014 to 2023	7.26 to 7.97	Operational
Piratini Farm	Jaborandi-BA	5,000	2021	3.72 to 8.00	Operational
Palmares Farm	Barreiras-BA	19,471	2023	9 a 10.10	Operational
Parnaíba Farm	Tasso Fragoso-MA	21,116	2026	2 to10	Operational
Paiaguás Farm	Diamantino-MT	2,360	2014 to 2020	8.5	Operational
Pejuçara Farm	Diamantino-MT	8,089	2020	9 to 9.5	Operational
Parceiro Farm	Formosa do Rio Preto – BA	5,428	2020	2 to 7	Operational
Paladino Farm	São Desidério – BA	21,897	2023	10	Operational
Total		116,329			

(*) Annual renewal. The Company leases this area since 1999.

Future commitments related to these contracts are fixed in bags of soybeans according to the average price, in the region of each unit, on the date of their respective payment.

In addition to the lease of crop land, the Company contracted the operating lease of a cotton processing unit in Palmares Farm (in Barreiras, Bahia State (BA) for R$1,500 per annum until 2015).

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

	Parent company	Consolidated
Payments within one year	26,583	45,443
Payments in more than one year and up to 5 years	141,205	253,541
Payments in more than 5 years	94,858	236,249
Total future minimum payments of leases	**262,646**	**535,233**

Note that the Company's lease contracts with third parties are indexed at soybean sack quotation in each production unit region. For this reason, future minimum values will normally be estimated in numbers of soybean sacks, translated into Brazilian Reais at soybean quotation in each region, on balance sheet dates. Minimum payment values shown above may suffer significant variation up to payment time due to changes in soybean market value.

As regards lease contracts with third parties, we also inform that: (i) they have no contingent payment clauses; (ii) there are no renewal or purchase option clauses, except for the contract of Planalto Farm, referring to 1,657 ha, which is renewed on an annual basis; (iii) our contracts are indexed at soy bag price variation, as disclosed above, and there is no other adjustment clause; (iv) there are no enforced restrictions, such as those related to dividends and interest on capital, additional debt or any other requiring additional disclosure.

The subsidiary Fazenda Pioneira Empreendimentos Agrícolas S.A. has a lease contract, whose purpose is to operate the farm, owned by Agropecuária Roncador S.A., through the cultivation of soybeans. In each crop, a percentage of production will serve as payment for operating, from the 2014/15 crop until 2028, which depends on the percentage yield obtained.

21 Management of risks and financial instruments

Sales revenues of the Company and its subsidiaries are generated mainly by the trading of agricultural commodities like soybean, cotton, corn, all the products that are quoted in dollars on international exchanges, Chicago Board of Trade - CBOT and Intercontinental Exchange Futures US - ICE. Accordingly, volatility of the commodity international price and of foreign exchange rate are market risks to which the Company and its subsidiaries are exposed to.

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

Fair values are determined based on market price quotations, when available or, in the absence of these values, on present values of expected cash flows. Fair values of cash and cash equivalents, trade accounts receivable, short-term debt and trade accounts

payable are equivalent to book values. Fair values of other long-term assets and liabilities do not significantly differ from their carrying amounts.

The fair value estimated for the long-term loans of the Parent Company and of the Consolidated Statement, on December 31, 2013, was, respectively, R$349,564 and R$382,436, calculated at current market rates, considering nature, term and risks similar to those of the registered contracts, and can be compared with the book value of R$436,796 and R$477,871 (note 14).

	Parent company			
	Book value		Fair value	
	2013	2012	2013	2012
Assets				
Loans and receivables				
Cash and cash equivalents	82,284	30,799	82,284	30,799
CP Financial Investments	63,363	13,358	63,363	13,358
Trade accounts receivable	38,520	36,549	38,520	36,549
Loans and leases	12,551	13,586	12,551	13,586
Securities and credits receivable	18,908	25,829	16,602	23,941
Subtotal	**215,626**	**120,121**	**213,320**	118,233
Fair value of hedge instruments				
Operations with Derivatives	6,438	6,845	6,438	6,845
Subtotal	**6,438**	6,845	**6,438**	6,845
Total assets	**222,064**	**126,966**	**219,758**	**125,078**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	918,150	638,719	845,226	674,738
Suppliers	137,893	78,151	137,893	78,151
Related party transactions	9,174	18,522	9,174	18,522
Other payable	49,280	35,784	49,280	35,784
Securities payable	-	600	-	600
Subtotal	**1,114,497**	771,776	**1,041,573**	807,795
Fair value of hedge instruments				
Derivatives payable	28,823	18,376	28,823	18,376
Subtotal	**28,823**	18,376	**28,823**	18,376
Total liabilities	**1,143,320**	**790,152**	**1,070,396**	**826,171**

	Consolidated			
	Book value		Fair value	
	2013	2012	2013	2012
Assets				
Loans and receivables				
Cash and cash equivalents	232,354	143,888	232,354	143,888
CP Financial Investments	160,623	13,358	160,623	13,358
Trade accounts receivable	62,438	55,271	62,438	55,271
Securities and credits receivable	18,908	25,829	16,602	23,941
Subtotal	**474,323**	**238,346**	**472,017**	**236,458**
Fair value of hedge instruments				
Operations with Derivatives	7,216	7,223	7,216	7,223
Subtotal	**7,216**	**7,223**	**7,216**	**7,223**
Total assets	**481,539**	**245,569**	**479,233**	**243,681**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	1,170,289	810,860	1,086,509	848,465
Suppliers	236,217	137,758	236,217	137,758
Other payable	66,126	61,980	66,126	61,980
Securities payable	155,710	182,134	131,693	156,914
Subtotal	**1,628,342**	**1,192,732**	**1,520,545**	**1,205,117**
Fair value of hedge instruments				
Derivatives payable	32,244	20,833	32,244	20,833
Subtotal	**32,244**	**20,833**	**32,244**	**20,833**
Total liabilities	**1,660,586**	**1,213,565**	**1,552,789**	**1,225,950**

Hierarchy of financial assets and liabilities' fair values recorded at fair value on a recurring basis used the following criterion:

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

Chart below presents the hierarchy of financial assets and liabilities' fair values recorded at fair value on a recurring basis.

	Parent company					
	2013			2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Loans and receivables						
Cash and cash equivalents	82,284	-	-	30,799	-	-
CP Interest earnings bank deposits	63,363	-	-	13,358	-	-
Trade accounts receivable	-	38,520	-	-	36,549	-
Loans and leases	-	12,551	-	-	13,586	-
Securities and credits receivable	-	16,602	-	-	23,941	-
Subtotal	145,647	67,673	-	44,157	74,076	-
Fair value of hedge instruments						
Operations with derivatives	-	6,438	-	-	6,845	-
Subtotal	-	6,438	-	-	6,845	-
Total assets	**145,647**	**74,111**	**-**	**44,157**	**80,921**	**-**
Liabilities						
Liabilities at the amortized cost						
Loans and financing	509,062	336,164	-	289,584	385,154	-
Suppliers	-	137,893	-	-	78,151	-
Related party transactions	-	9,174	-	-	18,522	-
Other payable	-	49,280	-	-	35,784	-
Securities payable	-	-	-	-	600	-
Subtotal	509,062	532,511	-	289,584	518,211	-
Fair value of hedge instruments						
Derivatives payable	-	28,823	-	-	18,376	-
Subtotal	-	28,823	-	-	18,376	-
Total liabilities	**509,062**	**561,334**	**-**	**289,584**	**536,587**	**-**

	Consolidated					
	2013			2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Loans and receivables						
Cash and cash equivalents	232,354	-	-	143,888	-	-
CP Interest earnings bank deposits	160,623	-	-	13,358	-	-
Trade accounts receivable	-	62,438	-	-	55,271	-
Securities and credits receivable	-	16,602	-	-	23,941	-
Subtotal	392,977	79,040	-	157,246	79,212	-
Fair value of hedge instruments						
Operations with derivatives	-	7,216	-	-	7,223	-
Subtotal	-	7,216	-	-	7,223	-
Total assets	**392,977**	**86,256**	**-**	**157,246**	**86,435**	**-**
Liabilities						
Liabilities at the amortized cost						
Loans and financing	750,345	336,164	-	463,311	385,154	-
Suppliers	-	236,217	-	-	137,758	-
Other payable	-	66,126	-	-	61,980	-
Securities payable	-	131,693	-	-	156,914	-
Subtotal	750,345	770,200	-	463,311	741,806	-
Fair value of hedge instruments						
Derivatives payable	-	32,244	-	-	20,833	-
Subtotal	-	32,244	-	-	20,833	-
Total liabilities	**750,345**	**802,444**	**-**	**463,311**	**762,639**	**-**

a. Policy of use, objectives and strategies

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

Financial derivative transactions are performed with prime financial institutions - domestic institutions rated "A" in at least one of the three main international risk classifying agencies, namely: Mood's, S&P and/or Fitch), respecting limits and exposure to foreign exchange, commodities and interest risks of its counterparties, on a regular basis.

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

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

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

c. Exchange risk

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

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

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

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

deviation of the operating margin defined as the goal.

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

	Reference value (notional)			Fair value (MTM)			Value in curve (Accrual)		
Description	**Currency**	**2013**	**2012**	**Currency**	**2013**	**2012**	**Currency**	**2013**	**2012**
Forward Contracts (NDF):									
Foreign currency - Short position									
Maturity in 2013	USD	-	203,626	R$	-	(9,390)	R$	-	(6,629)
Maturity in 2014	USD	239,756	13,818	R$	(25,820)	265	R$	(21,998)	326
Maturity in 2015	USD	12,225	-	R$	(722)	-	R$	(607)	-
TOTAL	**USD**	**251,981**	**217,444**	**R$**	**(26,542)**	**(9,125)**	**R$**	**(22,605)**	**(6,303)**

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

Counterparty	**Type**	**Contracting rate**	**Notional (US$)**	**Fair Value 2013**	**Fair Value 2012**	**Foreign exchange variation [1]**	**Book value**
Banco Itaú BBA S/A	NCE	R$1.5611	**25,000**	**58,565**	71,691	(19,062)	59,573
Banco Itaú BBA S/A	NCE	R$1.7800	**40,000**	**93,704**	102,415	(22,504)	95,093
Banco Itaú BBA S/A	NCE	R$1.9418	**50,000**	**117,130**	102,415	(20,040)	118,035
Banco Bradesco S/A	PPE	R$1.5713	**12,500**	**29,283**	38,406	(9,641)	29,348
Citibank S/A	NCE	R$1.5611	**6,000**	**14,056**	36,869	(4,332)	14,063
Banco John Deere	Res 2770	R$2.0592	**8,000**	**18,741**	21,068	(2,238)	18,961
HSBC Bank Brasil S/A	PPE	R$1.8210	**2,000**	**4,685**	12,290	(1,043)	4,683
Total			**143,500**	**336,164**	**385,154**	**(78,860)**	**339,756**

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

Detailed maturities schedule of derivative transactions and deferred foreign exchange variation classified in hedge accounting methodology is as follows:

Maturity	**Currency**	**Forward Contracts (NDF)**	**Export prepayments (PPE)***	**Export credit notes (CCE)***	**Res 2770**	**Total**
Up to 03/31/2014	USD	(8,260)	-	-	-	(8,260)
Up to 06/30/2014	USD	(5,940)	-	(4,332)	-	(10,272)
Up to 09/30/2014	USD	(3,693)	-	-	-	(3,693)
Up to 12/31/2014	USD	(7,927)	(1,043)	-	-	(8,970)
Up to 03/31/2015	USD	(687)	-	-	-	(687)
Up to 06/30/2015	USD	(35)	-	-	-	(35)
Up to 12/31/2015	USD	-	(9,641)	-	-	(9,641)
Up to 03/31/2016	USD	-	-	(19,062)	-	(19,062)
Up to 03/31/2017	USD	-	-	(22,504)	-	(22,504)
Up to 06/30/2017	USD	-	-	-	(2,238)	(2,238)
Up to 06/30/2019	USD	-	-	(20,040)	-	(20,040)
TOTAL	**USD**	**(26,542)**	**(10,684)**	**(65,938)**	**(2,238)**	**(105,402)**

(*) Amounts referring to foreign exchange variation classified as hedge accounting. Reference (Notional) value maturity is presented in note 14.

In the chart below we present the opening of foreign exchange derivatives by counterparty (of the Company and its subsidiaries):

	Reference value (notional)			Fair value		
Description	**Currency**	**2013**	**2012**	**Currency**	**2013**	**2012**
Banco Itaú BBA S/A	**USD**	49,531	15,600	**R$**	(5,676)	(551)
Citibank S/A	**USD**	8,180	27,923	**R$**	(978)	95
Deutsche Bank Suiss S/A	**USD**	15,900	23,620	**R$**	(542)	431
HSBC Bank Brasil S/A	**USD**	9,530	16,614	**R$**	(2,106)	(2,535)
Banco Bradesco S/A	**USD**	42,968	28,059	**R$**	(3,949)	(1,218)
Banco Votorantim S/A	**USD**	25,480	29,113	**R$**	(3,275)	(1,027)
Morgan Stanley S/A	**USD**	-	10,750	**R$**	-	(1,637)
Banco J.P. Morgan S/A	**USD**	48,343	35,100	**R$**	(5,004)	(1,392)
BofA Merrill Lynch S/A	**USD**	5,550	6,903	**R$**	(871)	18
Banco Santander Brasil S/A	**USD**	26,879	23,762	**R$**	(1,905)	(1,309)
Banco ABC Brasil S.A.	**USD**	14,940	-	**R$**	(2,188)	-
Banco Indusval & Partners	**USD**	4,680	-	**R$**	(48)	-
Total	**USD**	**251,981**	**217,444**	**R$**	**(26,542)**	**(9,125)**

The following criteria were used for determination of the fair value of operations:

- Forward Contracts (NDF) - the future curve of the dollar published by BM&F (www.bmf.com.br), upon the closing of each was considered for each period. Based on this information, the adjustment projected in the maturity of each operation is discounted by the interest curve between the yearly closing Ptax and the future quotation upon maturity of the derivative published by BM&F.

Foreign exchange rate variation risks

The Company projected possible impact of transactions intended to hedge foreign exchange and indebtedness in dollars in 5 different scenarios for 2014 and 2015, as follows:

- Probable scenario: Based on FOCUS (BACEN) report disclosed on December 27, 2013, we defined the probable scenario with dollar quotation of R$2.4500.
- 25% decrease in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 1.8375, which is 25% lower than Probable Scenario Quotation.
- 50% decrease in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 1.2250, which is 50% lower than Probable Scenario Quotation.
- 25% increase in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 3.0625, which is 25% higher than Probable Scenario Quotation.
- 50% increase in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 3.6750, which is 50% higher than Probable Scenario Quotation.

The summary of impacts on each parent company and consolidated scenario is as follows:

Parent Company

Description	Risk	Remote scenario *Quotation - R$ 1.2250*	Possible scenario *Quotation - R$ 1.8375*	Probable scenario *Quotation - R$ 2.4500*	Possible scenario *Quotation - R$ 3.0625*	Remote scenario *Quotation - R$ 3.6750*
Year 2014						
Sales revenues (hedge object)	US dollar variation	(158,283)	(79,142)	-	79,142	158,283
Forward Contracts (NDF):	US dollar variation	242,960	121,480	-	(121,480)	(242,960)
Subtotal		**84,677**	**42,338**	**-**	**(42,338)**	**(84,677)**
Year 2015						
Sales revenues (hedge object)	US dollar variation	(10,386)	(5,193)	-	5,193	10,386
Forward Contracts (NDF):	US dollar variation	10,780	5,390	-	(5,390)	(10,780)
Subtotal		**394**	**197**	**-**	**(197)**	**(394)**
Indebtedness in dollars						
Sales revenues (hedge object)	US dollar variation	(79,712)	(39,856)	-	39,856	79,712
Trade Finance (Indebtedness in Dollars)	US dollar variation	79,712	39,856	-	(39,856)	(79,712)
Subtotal		**-**	**-**	**-**	**-**	**-**
Total		**85,071**	**42,535**	**-**	**(42,535)**	**(85,071)**

Consolidated

Description	Risk	Remote scenario *Quotation - R$ 1.2250*	Possible scenario *Quotation - R$ 1.8375*	Probable scenario *Quotation - R$ 2.4500*	Possible scenario *Quotation - R$ 3.0625*	Remote scenario *Quotation - R$ 3.6750*
Year 2014						
Sales revenues (hedge object)	US dollar variation	(268,064)	(134,032)	-	134,032	268,064
Forward Contracts (NDF):	US dollar variation	293,701	146,851	-	(146,851)	(293,701)
Subtotal		**25,637**	**12,819**	**-**	**(12,819)**	**(25,637)**
Year 2015						
Sales revenues (hedge object)	US dollar variation	(11,424)	(5,712)	-	5,712	11,424
Forward Contracts (NDF):	US dollar variation	14,976	7,488	-	(7,488)	(14,976)
Subtotal		**3,552**	**1,776**	**-**	**(1,776)**	**(3,552)**
Indebtedness in dollars						
Sales revenues (hedge object)	US dollar variation	(79,712)	(39,856)	-	39,856	79,712
Trade Finance (Indebtedness in Dollars)	US dollar variation	79,712	39,856	-	(39,856)	(79,712)
Subtotal		**-**	**-**	**-**	**-**	**-**
Total		**29,189**	**14,595**	**-**	**(14,595)**	**(29,189)**

Net foreign exchange exposure is as follows:

	Parent company			
	2013		2012	
	Amount in Reais (R$)	Amount in USD	Amount in Reais (R$)	Amount in USD
Trade accounts receivable (Note 7)	30,833	13,162	26,189	12,820
Trade Finance (Indebtedness in Dollars)	(339,756)	(143,500)	(388,747)	(190,236)
Net exposure of the shareholders' equity	**(308,923)**	**(130,338)**	**(362,558)**	**(177,416)**
Estimated exports	658,713	281,189	685,243	332,100
Forward Contracts (NDF):	(485,234)	(207,135)	(371,937)	(177,960)
Net exposure for exports	**173,479**	**74,054**	**313,306**	**154,140**
Net exposure	**(135,444)**	**(56,284)**	**(49,252)**	**(23,276)**

	Consolidated			
	2013		2012	
	Amount in Reais (R$)	Amount in USD	Amount in Reais (R$)	Amount in USD
Trade accounts receivable (Note 7)	50,695	21,640	42,834	20,967
Trade Finance (Indebtedness in Dollars)	(339,756)	(143,500)	(388,747)	(190,236)
Net exposure of the shareholders' equity	**(289,061)**	**(121,860)**	**(345,913)**	**(169,269)**
Estimated exports	870,637	371,654	831,576	406,937
Forward Contracts (NDF):	(590,291)	(251,981)	(444,347)	(217,444)
Net exposure for exports	**280,346**	**119,673**	**387,229**	**189,493**
Net exposure	**(8,715)**	**(2,187)**	**41,316**	**20,224**

d. Price risk

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

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

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

	Reference value (notional)			Fair value			Accumulated effect (current period)		
Descrição	**Currency**	**2013**	**2012**	**Currency**	**2013**	**2012**	**Currency**	**Amount receivable/ (received)**	**Amounts payable/(paid)**
With maturity in 2013									
Financial operations									
Commodities – Cotton	**USD**	**-**	16,658	**R$**	**-**	2,530	**R$**	**-**	**-**
Commodities – Soybean	**USD**	**-**	50,512	**R$**	**-**	(4,911)	**R$**	**-**	**-**
Subtotal - Maturities in 2013	**USD**	-	67,170	**R$**	-	(2,381)	**R$**	**-**	**-**
With maturity in 2014									
Financial operations									
Commodities – Cotton	**USD**	**32,224**	-	**R$**	**343**	-	**R$**	**968**	**(625)**
Commodities – Corn	**USD**	**574**	-	**R$**	**45**	-	**R$**	**45**	**-**
Commodities – Soybean	**USD**	**10,644**	12,536	**R$**	**2,036**	(348)	**R$**	**3,172**	**(1,136)**
Subtotal - Maturities in 2014	**USD**	**43,441**	12,536	**R$**	**2,424**	(348)	**R$**	**4,185**	**(1,761)**
Overall total	**USD**	**43,441**	79,706	**R$**	**2,424**	(2,729)	**R$**	**4,185**	**(1,761)**

All the transactions with agricultural commodities were carried out in an exchange or over-the-counter environment with the following counterparties: Cargill Financial Service International Inc, Deutsche Bank, Morgan Stanley, Macquarie Group Limited, Barclays Capital and J.P. Morgan. The fair value of these operations was provided by the institution.

Variation risks for the commodities' price

The Company projected the impact of transactions intended to hedge commodities prices in 4 different scenarios for 2013 and 2014, in dollars per pound (USD/pound) cotton and in dollars per bushel (USD/Bushel) soy, as in the chart below:

Description	Risk	Remote scenario -50%	Possible scenario -25%	Current Scenario	Possible scenario +25%	Remote scenario +50%
Agreements						
CTH4 (Cotton - March/14)*	Price variation	0.42	0.63	0.85	1.06	1.27
CTK4 (Cotton - May /14)*	Price variation	0.42	0.63	0.84	1.06	1.27
CTN4 (Cotton - July/14)*	Price variation	0.42	0.63	0.84	1.05	1.26
CTZ4 (Cotton - December /14)*	Price variation	0.39	0.59	0.78	0.98	1.18
CON4(Corn - July/14)**	Price variation	2.19	3.28	4.37	5.46	6.56
COZ4(Corn - July/14)**	Price variation	2.25	3.38	4.50	5.63	6.75
SYK4 (Soybean - May/14)**	Price variation	6.39	9.58	12.77	15.96	19.16

*Values in USD/Pound sterling
**Values in USD/Bushel

Impacts on each projected scenario, in Brazilian Reais per Pound (R$/Libra), is summarized as follows:

Description	Risk	Remote scenario* -50%	Possible scenario -25%	Probable scenario	Possible scenario +25%	Remote scenario* +50%
Year 2014						
Revenue[(1)]	Price variation	(37,920)	(19,136)	(352)	18,431	37,215
Cotton - Financial operations	Price variation	37,920	19,136	352	(18,431)	(37,215)
Subtotal		-	-	-	-	-
Revenue[(1)]	Price variation	(694)	(370)	(45)	279	604
Corn - Financial operations	Price variation	694	370	45	(279)	(604)
Subtotal		-	-	-	-	-
Revenue[(1)]	Price variation	(6,778)	(6,066)	(2,670)	6,126	16,485
Soybean - Financial operations	Price variation	6,778	6,066	2,670	(6,126)	(16,485)
Subtotal		-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**

[(1)] Final currency in December, 31 2013 R$2.3426

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

e. Interest rate risk

A portion of the Company's indebtedness is linked to floating interest rates. Floating interest rates on our indebtedness are TJLP (long-term interest rate), present in BNDES financing transactions, and LIBOR (*London Interbank Offered Rate*), which is the interest rate used for international loans.

To protect against variation in these interest rates, the Company conducts hedge transactions through interest rate swap transactions with prime financial institutions. These transactions consist in exchanging floating interest rates by fixed interest rates, therefore, the Company has long position on floating interest rates (TJLP or Libor) and, simultaneously, short position on fixed interest rate. Principal (notional) value and maturities of swap transactions are identical to debt flow, which is the object of hedge. Accordingly, debt floating interest rate fluctuation risk is eliminated.

Detailed swap transaction for interest rates and debts indexed to Libor rate is as follows:

Counterparty	Hedge instrument	Hedged object	Swap Balance (Contract Curve)		Swap balance (MTM)		Adjustment
			Asset	Liability	Asset	Liability	Financial income (loss)
Santander	Swap of USD 24MM (Asset Líbor 6 months +2% p.a. / Liability 4.68% p.a.)	Debit of USD 25MM at interest of Líbor 6 months + 2,8% p.a.	56,857	57,458	57,376	58,035	(659)
Santander	Swap of R$ 40MM (Asset VC / Liability CDI)	Debit f USD 16,9MM a interest of 2,5075 p.a.	39,762	40,017	40,631	40,828	(197)
Itaú	Swap of R$ 46,8MM (Asset VC+1% / Liability 100% CDI)	Repurchase agreements R$ 46.8MM at interest of 100%CDI	46,853	46,907	46,853	46,907	(54)
Total			143,472	144,382	144,860	145,770	(910)

Variation risks of Interest rate

For the purpose of verifying sensitivity of indices for the Company's debts, based on position at December 31, 2013, five different scenarios were defined. Based on FOCUS (Bacen) report of December 31, 2013, we defined indices for CDI and foreign exchange, while for Libor rate, we considered BM&F also on December 31, 2013, and for TJLP, rate valid on yearend was considered. Based on this information, we defined Probable Scenario for analysis and, based on it, variations of 25% and 50% were calculated.

For each scenario the Company considered the financial expense or gross financial expense, not taking into account the taxes levied and the flow of maturities of debts and redemptions for interest earning bank deposits scheduled to 2013. The portfolio's base date was December 31, 2013, projecting indices for one year and verifying their sensitivity in each scenario.

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

	Interest rate *	Balance in 12/31/2013	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in Reais - Prefixed rate							
Rural credit	6.99%	307,311	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	7.27%	193,757	N/A	N/A	N/A	N/A	N/A
BNDES	3.98%	72,389	N/A	N/A	N/A	N/A	N/A
Working Capital	12.16%	65,738	N/A	N/A	N/A	N/A	N/A
Debt in Reais – Post-fixed rate							
BNDES	TJLP	37,092	(1,987)	(2,450)	(2,914)	(3,378)	(3,841)
BNDES	UMBNDES	14,399	(1,107)	(1,107)	(1,107)	(1,107)	(1,107)
Export financing	112% CDI	100,085	(5,516)	(8,275)	(10,779)	(13,791)	(16,549)
Dívidas em Dólares							
NCE	Libor 6M + 2.48 p.a.(average)	286,763	(11,193)	(11,422)	(11,423)	(11,930)	(12,184)
PPE	Libor 6M + 2.87% p.a. (average)	34,032	(1,076)	(1,048)	(1,077)	(1,106)	(1,135)
Investment financing	Libor 6M + 5% p.a.	18,961	(981)	(997)	(1,014)	(1,030)	(1,047)
FRN	2.5075%	39,762	N/A	N/A	N/A	N/A	N/A
Swap Libor x Pré**	Asset: Libor + 2% Liability: 4.68%	56,222	(920)	(873)	(826)	(780)	(733)
Swap VC x CDI***	Asset: 2.5075% p.a. Liability: CDI + 1.1% p.a.	39,762	(27)	(13)	-	13	27
Interest earnings bank deposits							
CDB and Debentures	99,88% CDI	392,846	19,619	29,428	39,237	49,047	58,856

(*) Average annual rates

(**) The amount of R$56,222 refers to the translation of USD24,000 (Loan balance whose fluctuation on Libor rate is being covered) by dollar quotation on Dec 31, 2013 – R$2,3426

(***) The amount of R$39,762 refers to the translation of USD16,972 (Loan balance whose exchange variation is being covered) by dollar quotation on Dec 31, 2013 – R$2.3426

f. Credit risk

A substantial portion of the Company and its subsidiaries sales is made to selected and highly qualified clients: trading companies and weaving companies, among others that regularly acquire large volumes to guarantee local and international negotiation. The credit risk is managed by specific customer acceptance rules, credit analysis and setting of limits of exposure by the client. Historically, the Company and its subsidiaries have

not recorded significant losses in trade accounts receivable.

As a result of above-mentioned factors, assumed credit risk is not relevant. However, book balances below are exposed to this risk:

	Parent company			Consolidated		
	Currency	2013	2012	Currency	2013	2012
Assets						
Cash and cash equivalents	**R$**	**82,284**	30,799	**R$**	**232,354**	143,888
CP Financial Investments	**R$**	**63,363**	13,358	**R$**	**160,623**	13,358
Trade accounts receivable	**R$**	**38,520**	36,549	**R$**	**62,438**	55,271
Derivatives receivable	**R$**	**6,438**	6,845	**R$**	**7,216**	7,223
Total	**R$**	**190,605**	87,551	**R$**	**462.631**	219,740

g. Liquidity risk

Gross outgoing flows disclosed in the table below represent undiscounted contract cash flows related to derivative and non-derivative financial liabilities held to hedge against risks and that are normally not closed before contract maturity. This chart presents net cash flows for cash derived settled by net exposure and gross outbound cash flows for cash derived with gross simultaneous settlement.

	Parent company							
December 31, 2013	**Book value**	**Contractual cash flow**	**up to 1 year**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	918,150	1,023,981	498,389	94,460	99,512	104,834	110,440	116,346
Suppliers	137,893	137,893	137,893	-	-	-	-	-
	1,056,043	1,161,874	636,282	94,460	99,512	104,834	110,440	116,346
Derivatives								
Operations with derivatives	22,385	22,385	23,646	676	(1,937)	-	-	-
	22,385	22,385	23,646	676	(1,937)	-	-	-
	1,078,428	**1,184,259**	**659,928**	**95,136**	**97,575**	**104,834**	**110,440**	**116,346**

	Consolidated							
December 31, 2013	**Book value**	**Contractual cash flow**	**up to 1 year**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	1,170,289	1,292,671	717,654	103,343	108,870	114,692	120,826	127,287
Suppliers	236,217	236,217	236,217	-	-	-	-	-
Securities payable	155,710	155,710	126,494	11,726	11,726	5,764	-	-
	1,562,216	1,684,598	1,080,365	115,069	120,596	120,456	120,826	127,287
Derivatives								
Operations with derivatives	25,028	25,028	26,156	809	(1,937)	-	-	-
	25,028	25,028	26,156	809	(1,937)	-	-	-
	1,587,244	**1,709,626**	**1,106,521**	**115,878**	**118,659**	**120,456**	**120,826**	**127,287**

	Parent company							
December 31, 2012	**Book value**	**Contractual cash flow**	**up to 1 year**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	638,719	674,738	290,100	69,724	78,729	78,729	78,729	78,729
Suppliers	78,151	78,151	78,151	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
	717,470	753,489	368,851	69,724	78,729	78,729	78,729	78,729
Derivatives	11,531	11,531	11,066	465	-	-	-	-
Operations with Derivatives	11,531	11,531	11,066	465	-	-	-	-
	729,001	765,020	379,917	70,189	78,729	78,729	78,729	78,729

	Consolidated							
December 31, 2012	**Book value**	**Contractual cash flow**	**up to 1 year**	**1–2 years**	**2–3 years**	**3–4 years**	**4–5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	810,860	848,465	435,498	75,072	84,474	84,474	84,474	84,474
Suppliers	137,758	137,758	137,758	-	-	-	-	-
Securities payable	182,134	182,134	95,283	56,693	12,152	12,152	5,854	
	1,130,752	1,168,357	668,539	131,765	96,626	96,626	90,328	84,474
Derivatives								
Operations with Derivatives	13,610	13,610	13,146	464	-	-	-	-
	13,610	13,610	13,146	464	-	-	-	-
	1,144,362	1,181,967	681,685	132,229	96,626	96,626	90,328	84,474

h. Summary of the derivative transactions outstanding

We present, below, the derivative financial instruments of the Company consolidated and that are reflected in assets and liabilities:

	Reference value (notional)				Fair value recorded in assets		Fair value recorded in liabilities	
Description	**Currency**	**2013**	**2012**	**Currency**	**2013**	**2012**	**2013**	**2012**
Operações de Proteção Cambial								
Non Deliverable Forwards - 21.c	USD	251,981	217,444	R$	1,093	2,677	27,635	11,802
Trade Finance Contracts[1] - 21.c	USD	143,500	188,036	R$	-	-	78,860	53,998
Subtotal	**USD**	**395,481**	**405,480**	**R$**	**1,093**	**2,677**	**106,495**	**65,800**
Hedge operations for products								
Cotton - Financial operations - 21.d	USD	32,224	16,658	R$	968	3,647	625	1,116
Corn - Financial operations - 21.d	USD	574	-		45	-	-	-
Soybean - Financial operations - 21.d	USD	10,644	63,048	R$	3,172	899	1,136	6,158
Subtotal	**USD**	**43,441**	**79,706**	**R$**	**4,185**	**4,546**	**1,761**	**7,274**
Hedge operations for inputs								
Swap MAP	USD	-	1,750	R$	-	-	-	200
Subtotal	**USD**	**-**	**1,750**	**R$**	**-**	**-**	**-**	**200**
Interest Hedge Transactions								
Swap Libor x Pré - 21.e	USD	24,000	29,333	R$	-	-	660	1,557
Swap VC+1 x CDI	USD	40,000	-	R$	1,938	-	2,134	-
Swap CDI x VC+1%	USD	20,000	-	R$	-	-	54	-
Subtotal	**USD**	**84,000**	**29,333**	**R$**	**1,938**	**-**	**2,848**	**1,557**
Total	**USD**	**522,922**	**516,269**	**R$**	**7,216**	**7,223**	**111,104**	**74,831**
(-) Portion classified in current assets				**R$**	**(5,278)**	**(6,912)**	**(36,808)**	**(20,058)**
Portion in noncurrent liabilities				**R$**	**1,938**	**311**	**74,296**	**54,773**

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

i. Financial income with derivative operations

We present, at their fair value, the consolidated gains and losses in the period, grouped by the main risk categories:

		Gains and Losses recorded in the income				Gains and Losses recorded in Shareholders' equity	
		Allocated in the gross income at		Allocated in the financial income at			
Description	**Currency**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Foreign exchange hedge operations							
Non Deliverable Forwards	**R$**	(29,878)	(28,353)	224	(233)	(31,087)	(20,262)
Trade Finance Contracts	**R$**	(23,744)	(10,175)	-	-	(78,860)	(53,663)
Subtotal	**R$**	**(53,622)**	**(38,528)**	**224**	**(233)**	**(109,947)**	**(73,925)**
Hedge operations for commodities							
Agricultural commodities swap							
Cotton	**R$**	-	-	190	9,141	343	-
Corn	**R$**	-	-	-	-	45	-
Soybean	**R$**	-	-	2,295	(4,753)	-	-
Swap of fertilizers							
Urea	**R$**	-	-	-	-	-	(200)
Subtotal	**R$**	**-**	**-**	**2,485**	**4,388**	**388**	**(200)**
Interest Hedge Transactions							
Swap Libor x Pre	**R$**	-	-	(612)	(189)	-	-
Subtotal	**R$**	**-**	**-**	**(612)**	**(189)**	**-**	**-**
TOTAL	**R$**	**(53,622)**	**(38,528)**	**2,097**	**3,966**	**(109,559)**	**(74,125)**

j. Market values

On December 31, 2013, the market values of cash and cash equivalents, interest earning bank deposits, accounts receivable and payable, loans and financings are close to the book values due to their short-term nature or because they are subject to variable interest rates, respectively.

k. Capital management

Main purpose of capital management is to ensure continuity of the company's business by maintaining a low leverage level policy, thus hedging its capital against government

economic policy fluctuations, and maximizing value for shareholder.

The Company administrates capital structure and adjusts it considering changes in economic conditions of the country. To maintain or adjust the capital structure, the Company may adjust the policy for payment of dividends to shareholders.

There was no change in the Company's dividends policy, objectives, policies or capital management processes in the years ended December 31, 2013 and 2012.

	Parent company		Consolidated	
	2013	2012	2013	2012
Short and long-term loans and financing	**918,150**	638,719	**1,170,289**	810,860
(-) Cash and cash equivalents and short-term interest earnings bank deposits	**(145,647)**	(44,157)	**(392,977)**	(157,246)
Net debt	**772,503**	594,562	**777,312**	653,614
Shareholders' equity	**2,008,675**	1,947,507	**2,137,012**	1,993,625
Financial leverage index	**38.5%**	30.5%	**36.4%**	32.8%

22 Gain-sharing program

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

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

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

The value provision in the income for the period in the administrative expenses' group is as follows:

	Parent company		Consolidated	
	2013	**2012**	**2013**	2012
Profit sharing	**5,250**	3,056	**7,290**	3,911
Total	**5,250**	3,056	**7,290**	3,911

23 Stock option plan

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

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

Stock Option Plan beneficiaries may exercise their options within 5 years counted as of respective grant. Grace period (Vesting) will be up to 3 years, with releases of 20% counted as of the first birthday, 40% counted as of the second birthday and 100% counted as of the third birthday. The Company has a 30-day period to issue shares, counted as of date of delivery of the Stock Option Plan Exercise Term.

In Board of Directors meetings held on October 31, 2007, December 16, 2008, November 11, 2009, November 10, 2010, November 9, 2011, November 13, 2012 and November 13, 2013, Annual Programs for 2007, 2008, 2009, 2010, 2011, 2012 and 2013 were approved, with granting of 640,000, 720,000, 488,000, 805,000, 899,000, 809,000 and 933,000 options for purchase of shares, respectively.

Movement of shares granted in the Annual Program for 2007, 2008, 2009, 2010, 2011, 2012 and 2013 and respective exercise prices, in Reais, are as follows:

		Quantity of shares				
Grant year	Strike price - R$	Balance in 2012	Granted	Canceled	Exercised	Balance in 2013
2007	R$ 14.00	-	-	-	-	-
2008	R$ 14.80	-	-	-	-	-
2009	R$ 15.00	203,600	-	-	(194,900)	8,700
2010	R$ 16.87	549,400	-	-	(86,000)	463,400
2011	R$ 16.24	777,400	-	-	(96,700)	680,700
2012	R$ 17.09	809,000	-	-	(8,000)	801,000
2013	R$ 17.32	-	933,000	-	-	933,000
		2,339,400	933,000	-	(385,600)	2,886,800

		Quantity of shares				
Grant year	Strike price - R$	Balance in 2011	Granted	Canceled	Exercised	Balance in 2012
2007	R$ 14.00	71,200	-	-	(71,200)	-
2008	R$ 14.80	466,000	-	(6,000)	(460,000)	-
2009	R$ 15.00	384,600	-	(12,000)	(169,000)	203,600
2010	R$ 16.87	785,000	-	(107,000)	(128,600)	549,400
2011	R$ 16.24	899,000	-	(101,600)	(20,000)	777,400
2012	R$ 17.09	-	809,000	-	-	809,000
		2,605,800	809,000	(226,600)	(848,800)	2,339,400

Exercise price of the Annual Program for 2007 is fixed as R$14.00 per share, equivalent to distribution price per share fixed upon initial public offering of the Company's shares.

Exercise price of Annual Programs for 2008, 2009, 2012 e 2013 were defined based on average of 90 quotations of the Company's share at BM&FBovespa, prior to plan approval, with discounts of 19.97%, 7.98%, 20% e 15%, respectively.

Exercise price of Annual Programs for 2010 and 2011 were also defined based on average of 90 quotations of the Company's shares at BM&FBovespa, prior to plan approval, but without discounts.

Grace periods counted as of grant date are as follows:

Grace periods beginning as of grant date	% of options released to be exercised	Maximum quantity of shares
As from – 11/08/2012	3%	76,500
As from – 11/09/2012	4%	101,900
As from – 11/12/2012	6%	185,600
As from – 11/08/2013	11%	326,600
As from – 11/11/2013	24%	689,600
As from – 11/13/2013	29%	843,400
As from – 11/10/2014	45%	1,306,600
As from – 11/13/2014	57%	1,655,000
As from – 11/13/2015	81%	2,327,000
As from – 11/13/2016	100%	2,886,800

The Company recognizes stock option plan costs based on fair value of granted shares, considering their fair value on grant date. Model used to measure options fair values is

the Black-Scholes method. Weighted average fair value, considered premiums and economic assumptions used to calculate using the model are as follows:

	Grant						
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Weighted average fair value	R$ 21.25	R$ 23.90	R$ 21.39	R$ 28.73	R$ 21.75	R$ 23.66	R$24,47
Awards	R$ 7.25	R$ 9.10	R$ 6.39	R$ 11.86	R$ 5.51	R$ 6.57	R$7,15
Dividends	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1,00%
Volatility of share price	32.03%	76.05%	67.59%	60.40%	39.90%	36.56%	31.05%
Risk-free rate of return							
1st maturity	11.65%	13.70%	9.91%	11.40%	9.98%	7.31%	10.78%
2nd maturity	11.65%	13.87%	11.41%	11.92%	10.16%	7.90%	11.64%
3rd maturity	11.64%	14.01%	12.13%	11.88%	10.46%	8.38%	11.95%
Period expected up to the maturity							
1st maturity	1,097	1,096	365	365	365	365	365
2nd maturity	1,279	1,278	730	730	730	730	730
3rd maturity	1,462	1,461	1,097	1,097	1,097	1,095	1,096

In compliance with CPC 10 (R1), based on the grace periods presented, the company recognized in net income the amounts arising from the stock option plan according to the duration of the vesting period, with a contra entry in shareholders' equity in a specific capital reserve account in the amount of R$5,593 (expense) on December 31, 2013 (R$4,322 on December 31, 2012).

Reconciliation of share options outstanding

The number and weighted average of exercise prices of stock options that are under the stock option program are the following:

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	12/31/13	**12/31/13**	**12/31/12**	**12/31/12**
Outstanding at January 1	R$ 16.57	2,339,400	R$ 15.93	2,605,800
Granted during the period	R$ 17.32	933,000	R$ 17.09	899,000
Exercised during the period	R$ 15.77	(385,600)	R$ 15.12	(848,800)
Canceled during the period	-	-	R$ 16.43	(226,600)
Outstanding at December 31	R$ 16.92	2,886,800	R$ 16.57	2,339,400
Exercisable on December 31	R$ 16.73	843,400	R$ 15.97	534,800

The options outstanding at December 31, 2013 have an exercise price in the range of R$ 15.00 to R$ 17.32 (R$ 15.00 to R$ 17.09 at December 31, 2012) and weighted average contractual life of 3.8 years (2012: 3.9 years).

The weighted average share price on the vesting date for stock options exercised in the period ended December 31, 2013 was R$15.77 (R$15.12 in the period ended December 31, 2012).

24 Government subsidy and assistance

a. Deferral and deemed credit ICMS

The Company receives incentives for the deferral of ICMS debts in soybean, corn and cotton seed transactions through adhesion of Planalto Farm to Fundersul program (Mato Grosso do Sul State Road System Development Fund) and Planorte Farm and Paiaguás Farm to program FETHAB (Transportation and Housing Fund). To enjoy deferral incentive, the Company must make a request to State Departments, waive ICMS credits on entries to which it would be entitled and pay Fundersul to Mato Grosso do Sul State and FETHAB to Mato Grosso State and FACS (Support Fund for Soybean).

Governments of Mato Grosso do Sul and Goiás States granted ICMS deemed credit

incentives in transactions with cotton fiber, a reduction 70% to 75% in ICMS payable through the adhesion of Planalto Farm to PDAGRO (Mato Grosso do Sul State) program and of Pamplona Farm to PROALGO (Goiás State) program.

In order to be entitled to participate in these incentives, the Company must forward an option term to State Departments, waive ICMS credits to which it would be entitled on entries, provide accessory information on this tax waive and pay PDAgro to Mato Grosso do Sul State and Fialgo to Goiás State.

Deemed credits are credited to income in caption taxes on sales, as a contra entry to caption taxes payable. The amount of R$2,175 of deemed ICMS credit was recognized at the parent company and in the consolidated statement in the year ended December 31, 2013.

b. Incentive of Corporate Income Tax (IRPJ) reduction

The Company receives incentives for subsidiaries Fazenda Parnaíba and Fazenda Planorte, located in Maranhão and Mato Grosso States, respectively, which enjoy IRPJ tax incentives granted by SUDAM (Amazon Development Authority). The incentive comprises of the decrease of 75% of IRPJ and nonrefundable additional amounts:

Fazenda Planorte enjoys this incentive up to production and trading limit of 13,478 tons of cotton fiber and 18,533 tons of cotton seed per year. This incentive expires in 2015. Fazenda Parnaíba enjoys this incentive up to production and trading limit of 5,528 tons of cotton fiber and 8,292 tons of cotton seed per year. This incentive expires in 2013.

IRPJ reduction incentive amounts are charged to IRPJ Payable in current liabilities, and credited to current taxes in income for the year. IRPJ reduction incentive amount may not be distributed to shareholders as dividends and, for this reason, the annual incentive amount is transferred from caption accumulated income to capital reserve, in Shareholders' Equity. This reserve may only be used to be incorporated to capital or to absorb losses.

The subsidiaries Fazenda Parnaíba and Fazenda Planorte had earnings with IRPJ (Corporate Income Tax) reduction incentive in the amount of R$3,802 in the period ended December 31, 2013.

25 Insurance coverage

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

Policy	Nature	Maturity	Coverage
20336464	Vehicles of SLC Agrícola	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336455	Vehicles of SLC Agrícola	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336291	Vehicles of SLC Agrícola	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336295	Vehicles of Fazenda Parnaíba	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336444	Vehicles of Fazenda Parnaíba	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336296	Vehicles of Fazenda Planorte	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336440	Vehicles of Fazenda Planorte	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336294	Vehicles of Fazenda Paiaguás	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336445	Vehicles of Fazenda Paiaguás	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336301	Vehicles of Fazenda Pejuçara	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336442	Vehicles of Fazenda Pejuçara	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336297	Vehicles of Fazenda Perdizes	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336441	Vehicles of Fazenda Perdizes	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20336292	Vehicles of Fazenda Pioneira	10/10/13 - 10/10/14	Against third parties - 100% FIPE
20338211	Vehicles of SLC-MIT	10/10/13 - 10/10/14	Against third parties - 100% FIPE
02309186117	Machinery and equipment	10/08/13 - 10/08/14	R$ 60,000,000.00

Policy	Nature	Maturity	Coverage
20.000014	Improvements - Farms	01/10/13 – 01/10/14	R$ 24,000,000.00
03.18.0631893	Management	11/10/12 – 01/10/14	R$ 750,000.00
10351000722	General liability	12/02/13 - 12/02/14	R$ 1,000,000.00
20.000017	Inventory of grains and cotton - including outdoor	03/24/13 – 03/24/14	R$ 40,000,000.00
01.10.4001638	Civil liabilities of directors – SLC Agrícola S.A	06/28/13 – 06/28/14	R$ 30,000,000.00
01.10.4001639	Civil liabilities of directors – SLC Landco Emp. Ag. S.A.	06/28/13 – 06/28/14	R$ 30,000,000.00

Our auditor's scope does not include an opinion on the sufficiency of the insurance coverage, which was determined by the Company's management, which considers it to be sufficient to cover possible events.

26 Net sales

	Parent company		Consolidated	
	2013	2012	2013	2012
Gross operating income	**650,004**	654,699	**1,230,766**	1,164,419
Sale of goods	**642,696**	656,134	**1,138,096**	1,068,616
Change in fair value of the biological assets	**51,491**	23,498	**146,292**	134,331
Income (loss) from hedge operations	**(44,183)**	(24,933)	**(53,622)**	(38,528)
Deductions, taxes and contributions	**(29,813)**	(26,263)	**(49,246)**	(45,676)
Net operating income	**620,191**	628,436	**1,181,520**	1,118,743

27 Expenses per type

	Parent company		Consolidated	
	2013	2012	2013	2012
Expenses according to the role				
Cost of goods sold	**548,847**	556,935	**920,234**	864,956
Sales expenses	**35,409**	42,248	**63,991**	67,849
General and administrative expenses	**38,990**	38,980	**47,729**	46,191
Other operating expenses	**16,210**	2,786	**18,987**	5,691
	639,456	640,949	**1,050,941**	984,687
Expenses per type				
Depreciation and amortization	**80,418**	67,949	**115,517**	98,066
Personnel expenses	**97,872**	84,090	**148,600**	118,398
Raw material and material	**408,762**	386,137	**622,451**	544,339
CPV biological asset variation	**18,362**	73,126	**114,026**	181,452
Freight	**17,824**	24,630	**33,274**	39,064
Other expenses	**16,218**	5,017	**17,073**	3,368
	639,456	640,949	**1,050,941**	984,687

28 Segment information

Two (2) reportable segments are the Company's strategic business units. Strategic business units offer different products and services. For each strategic business unit, Management analyses internal reports at least once in the quarter. The Group's reportable segment operations can be detailed as follows:

- Agricultural production segment: plantation of cotton, soybean, corn, wheat and coffee.
- Land portfolio segment: acquisition and development of land for agriculture.

Information referring to each reportable segment results are included below.

Performance is evaluated based on segment results before income tax and social contribution, and is included in internal reports analyzed by the Group's management. The segment income is used to evaluate performance, as management believes that this information is the most relevant for evaluating segments' results.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/13	12/31/12	**12/31/13**	12/31/12	**12/31/13**	12/31/12	**12/31/13**	12/31/12
Net revenue	1,181,520	1,118,743	55,897	54,052	(55,897)	(54,052)	1,181,520	1,118,743
Products Costs	(970,230)	(899,398)	-	(3,480)	49,996	37,922	(920,234)	(864,956)
Gross income	211,290	219,345	55,897	50,572	(5,901)	(16,130)	261,286	253,787
Operating expenses/ income	(108,613)	(107,260)	(2,194)	(1,406)	-	-	(110,807)	(108,666)
Sales expenses	(63,991)	(67,849)	-	-	-	-	(63,991)	(67,849)
General and administrative expenses	(38,315)	(37,626)	(957)	(498)	-	-	(39,272)	(38,124)
Management compensation	(7,569)	(7,369)	(888)	(698)	-	-	(8,457)	(8,067)
Other operating income (expenses)	1,262	5,584	(349)	(210)	-	-	913	5,374
Income (loss) before financial income (loss) and taxes	**102,677**	**112,085**	**53,703**	**49,166**	**(5,901)**	**(16,130)**	**150,479**	**145,121**
Net financial income (loss)	(44,655)	(30,064)	19,760	(42,526)	-	-	(24,895)	(72,590)
Income (loss) before income tax	**58,022**	**82,021**	**73,463**	**6,640**	**(5,901)**	**(16,130)**	**125,584**	**72,531**
Income and social contribution taxes	(28,450)	(28,430)	(531)	(5,671)	-	-	(28,981)	(34,101)
Consolidated Income / Loss for the Period	**29,572**	**53,591**	**72,932**	**969**	**(5,901)**	**(16,130)**	**96,603**	**38,430**

	Agricultural Production		Land		Eliminations		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Total assets								
Land	-	-	1,355,553	1,325,913	-	-	1,355,553	1,325,913
Adjustment to Fair Value - Land*	-	-	499,960	499,960	(499,960)	(499,960)	-	-
Other assets	2,204,098	2,039,729	701,426	332,960	-	-	2,905,524	2,372,689
Total assets	**2,204,098**	**2,039,729**	**2,556,939**	**2,158,833**	**(499,960)**	**(499,960)**	**4,261,077**	**3,698,602**
Total liabilities	2,607,644	1,982,529	1,653,433	1,716,073	-	-	4,261,077	3,698,602
Tax effects on Fair Value – Land	-	-	329,974	329,974	(329,974)	(329,074)	-	-
Total liabilities	**2,607,644**	**1,982,529**	**1,983,407**	**2,046,047**	**(329,974)**	**(329,074)**	**4,261,077**	**3,698,602**

* The Company evaluates, on an annual basis, those pieces of land it owns. Therefore, amounts referring to adjustment of land to fair value were realized based on this evaluation, only for disclosure purposes.

The Group trades its goods in the domestic and foreign market. Sales to foreign markets are considered direct sales having with the Group as operator, and indirectly, sales to commercial exporters based in Brazil.

The sales consolidated in the domestic and foreign market are represented as follow:

	2013	**2012**
Domestic market	**408,588**	402,318
Sale of goods	**315,918**	306,515
Change in fair value of the biological assets	**146,292**	134,331
Income (loss) from hedge operations	**(53,622)**	(38,528)
Foreign market	**822,178**	762,101
Sale of goods - indirect export	**307,571**	242,790
Sale of goods - direct export	**514,607**	519,311
Gross operating income	**1,230,766**	1,164,419
Deductions, taxes and contributions	**(49,246)**	(45,676)
Net operating income	**1,181,520**	1,118,743

Information on gross sales of products by geographic segment were prepared based on the country of origin of revenue and can be presented as follows:

	2013	2012
Asia	505,085	511,046
Latin America	7,265	4,276
Europe	1,330	2,431
Central America	-	1,219
Africa	927	339
	514,607	**519,311**

The Company has Cargill Agricola S.A. as the client accounting for more than 21.4% of net revenue. The amount of revenue from client Cargill Agricola S.A. is R$253,336 thousand, representing sales of soybean, corn and cotton.

29 Subsequent event

On 2 January 2014 the process of total split of SLC Empreendimentos e Agricultura Ltda., through the transfer of all the assets split into seven new subsidiaries formed on that date under the following trade names: 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. This split is intended to optimize the management of the business and activities of the Group.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders, Board Members and Directors of
SLC Agrícola S.A.
Porto Alegre - RS

We have examined the individual and consolidated financial statements of SLC Agrícola S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2013 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows, for the year then ended, as well as the summary of the significant accounting practices and other explanatory notes.

Responsibility of management for the financial statements
The Company's management is responsible for the preparation and adequate presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and in accordance with the accounting practices adopted in Brazil as well as for the internal controls that it deemed necessary to enable the preparation of these financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

Responsibility of the Independent auditors
Our responsibility is to express an opinion on these financial statements based on our auditing, carried out in accordance with the Brazilian auditing and international accounting standards. These standards require the fulfillment of ethical requirements by the auditors and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the financial statements are free of significant distortions.

An audit involves the carrying out of procedures selected to obtain evidence related to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of significant distortion in the financial statements, regardless of whether the latter are caused by fraud or error. In this risk assessment, according to auditing standards, the auditor considers relevant internal controls for the preparation and adequate presentation of the financial statements of the Company, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Opinion on the individual financial statements
In our opinion, the individual and consolidated aforementioned financial statements present fairly, in all material respects, the financial position of SLC Agrícola S.A. as of December 31, 2013, the performance of its operations and its cash flows, for theyear then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements
In our opinion, the individual aforementioned financial statements present fairly, in all material respects, the financial position of SLC Agrícola S.A. as of December 31, 2013, the performance of its operations and its cash flows, consolidated for the year then ended, in conformity with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis of matter
As described in the note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of SLC Agrícola S.A., these practices differ from IFRS, as far as the individual financial statements are concerned, only as regards the valuation of investments in subsidiaries, associated companies, and subsidiaries under the equity method, as, for IFRS purposes, they would be valued at cost or fair value. Our opinion is not qualified in this respect.

Other matters

Statements of added value
We have also examined the individual and consolidated statements of value added (DVA) for the year ended December 31, 2013, prepared under responsibility of Company's management, whose presentation is required by Brazilian Corporate Law for publicly-held companies and as supplementary information under IFRS that do not require the presentation of a statement of value added. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

Porto Alegre, February, 25 2014

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

(Original report in Portuguese signed by)
Cristiano Jardim Seguecio
Accountant CRC 1SP244525/O-9-T-RS

OPINION OF STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee of SLC Agrícola SA , in compliance with legal and statutory provisions, examined the Management Report and the Financial Statements of SLC Agrícola SA prepared in accordance with accounting practices adopted in Brazil and the Consolidated Financial Statements prepared in accordance with standards International financial Reporting Standards (IFRS) issued by the International accounting Standards Board - IASB and the accounting practices adopted in Brazil, for the fiscal year ended December 31, 2013.

Based on the procedures executed, and also considering the report of KPMG Auditores Independentes, dated February 25, 2014, and the information and explanations received during the fiscal year, opines that these documents are able to be assessed and approved the Annual General Meeting of Shareholders .

Porto Alegre, State of Rio Grande do Sul, February 25, 2014.

John Carlos Sfreddo
Chairman of Statutory Audit Committee

Paulo Roberto Kruse
Counselor

Mauricio Rocha Alves de Carvalho
Counselor

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 December 31 2013.

Porto Alegre, February 24, 2014.

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 February 25, 2014, on to the Financial Statements (Parent Company and Consolidated) for the year ended December 31, 2013.

Porto Alegre, February 25, 2014.

Aurelio Pavinato
Chief Executive Officer

Ivo Brum
CFO and Investor Relations

Gerson Trenhago
Director of Production

Aldo Roberto Tisott
Director of Sales