



## 2nd Quarter 2015 Earnings Webcast

August 14, 2015

**AGRO**  
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**NYSE**

*This press release contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “forecast”, “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.*

*The forward-looking statements included in this press release relate to, among others: (i) our business prospects and future results of operations; (ii) the implementation of our business strategy, including our development of the Ivinhema project; (iii) our plans relating to acquisitions, joint ventures, strategic alliances or divestitures; (iv) the implementation of our financing strategy and capital expenditure plan; (v) the maintenance of our relationships with customers; (vi) the competitive nature of the industries in which we operate; (vii) the cost and availability of financing; (viii) future demand for the commodities we produce; (ix) international prices for commodities; (x) the condition of our land holdings; (xi) the development of the logistics and infrastructure for transportation of our productions in the countries where we operate; (xii) the performance of the South American and world economies; (xiii) weather and other natural phenomena; (xiv) the relative value of the Brazilian Real, the Argentine Peso, and the Uruguayan Peso compared to other currencies; and (xv) developments in, or changes to, the laws, regulations and governmental policies governing our business, including environmental laws and regulations.*

*These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from our expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this press release might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.*

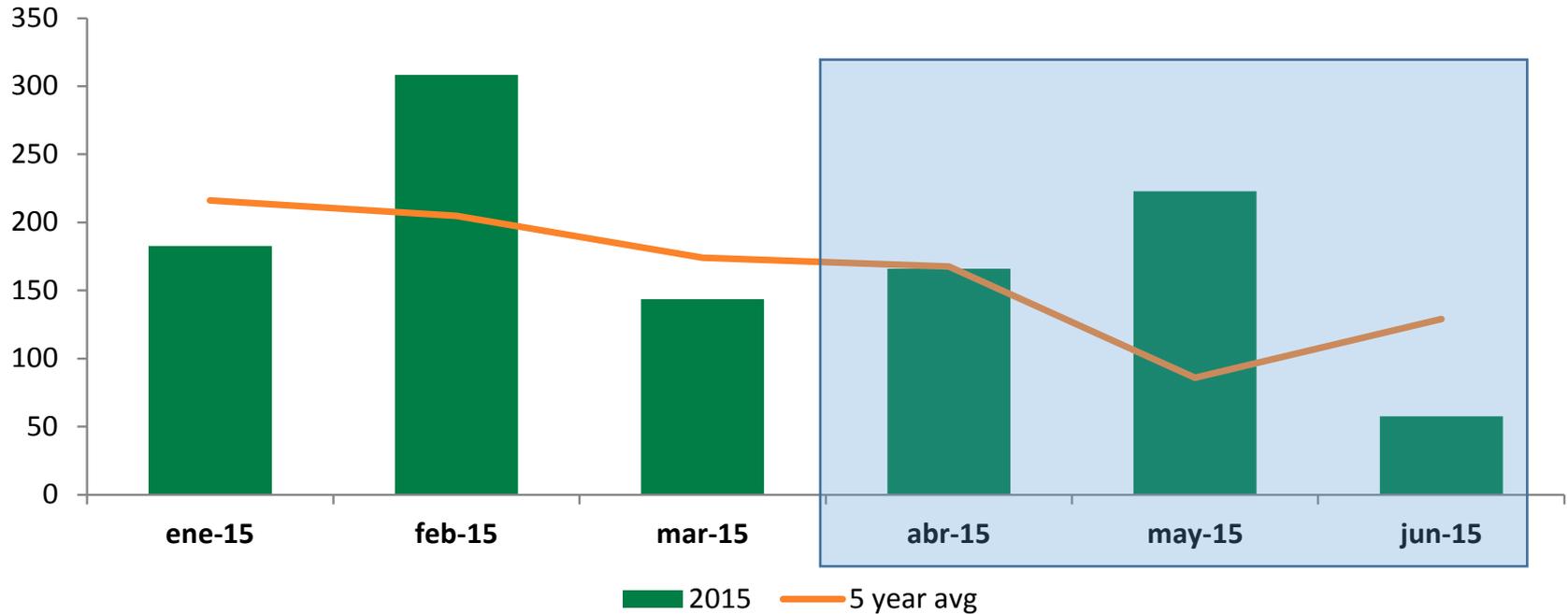
*The forward-looking statements made in this press release related only to events or information as of the date on which the statements are made in this press release. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.*

# Sugar, Ethanol & Energy Business



Rainfalls in our cluster in Mato Grosso do Sul during 2Q15 were in line with historical average

2015 Rainfalls in Angelica/Ivinhema Cluster - Mato Gross do Sul





# Significant increase in crushing due to increase in capacity, enhanced milling efficiencies and early start of harvest

### Operational Metrics - 2Q15 vs. 2Q14

Operational Metrics	2Q15	2Q14	% Change
Total Days	89	79	12%
Effective Milling Days	66	59	11%
Total Crushing (tons)	2,921	2,150	36%
Milling per Day (tons)	45	36	22%

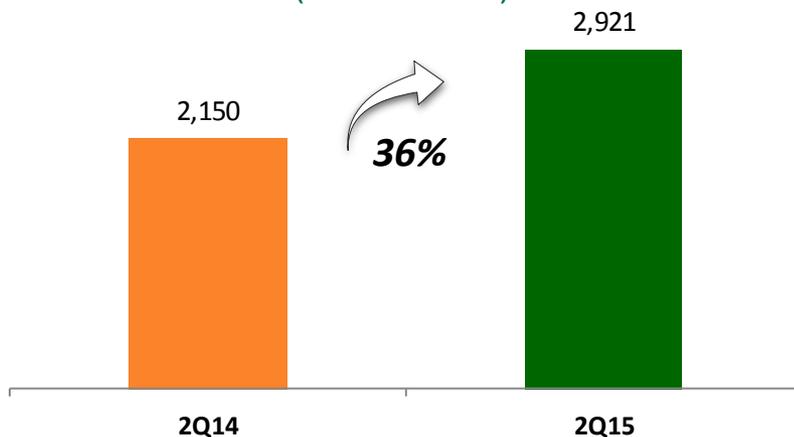
### Operational Metrics - 6M15 vs. 6M14

Operational Metrics	6M 15	6M 14	% Change
Total Days	101	81	25%
Effective Milling Days	75	60	24%
Total Crushing (tons)	3,381	2,192	54%
Milling per Day (tons)	45	36	24%



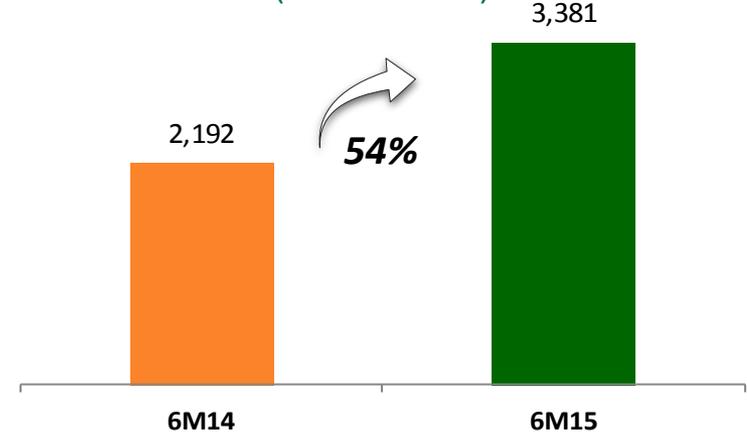
### Sugarcane crushing

(In Thousands Tons)



### Sugarcane crushing

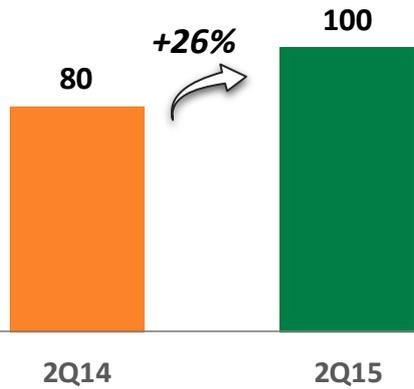
(In Thousands Tons)



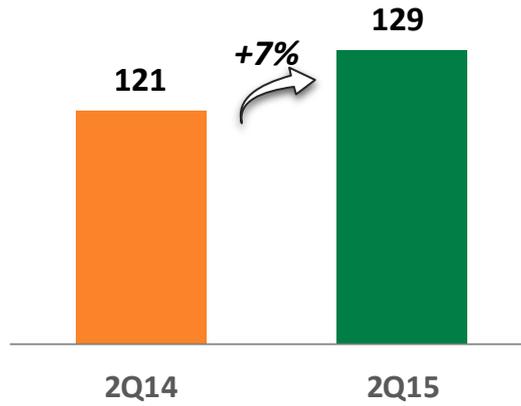


# Sugarcane productivity has been enhanced by improvements in agricultural management

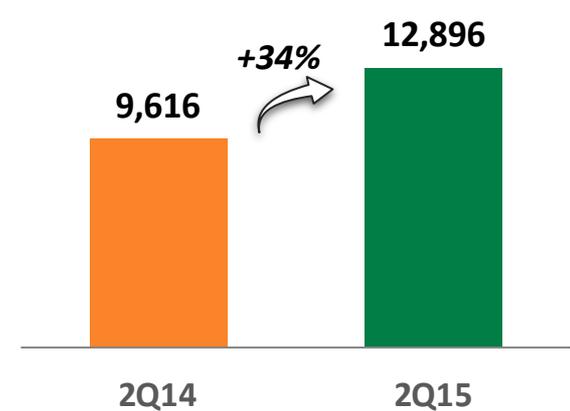
Yield per Hectare



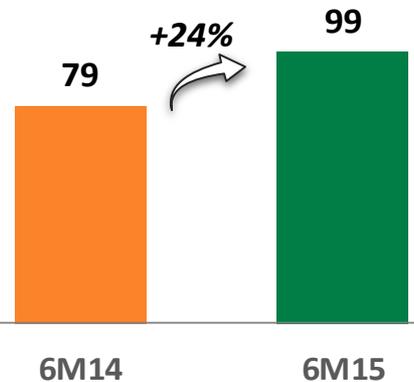
TRS per Ton



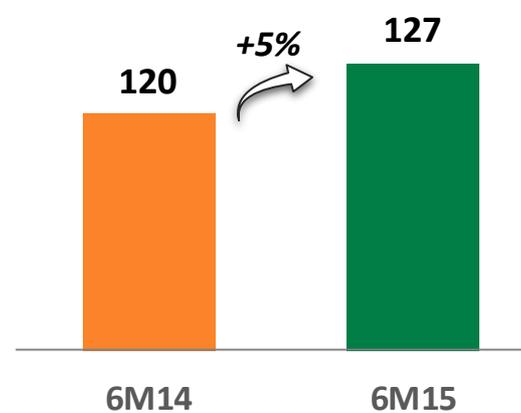
TRS per Hectare



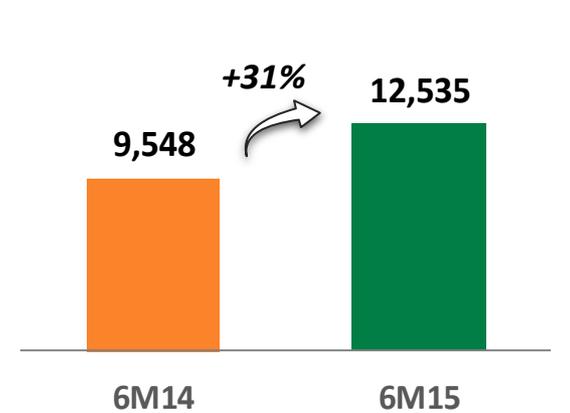
Yield per Hectare



TRS per Ton



TRS per Hectare



**Production was boosted by higher milling efficiency coupled with higher TRS per ton of sugarcane**

Sugar Production

(tons)

+56%

111,547

174,061

2Q14

2Q15

Ethanol Production

(M3)

+35%

84,093

113,477

2Q14

2Q15

Production in TRS Equivalent

(tons)

+44%

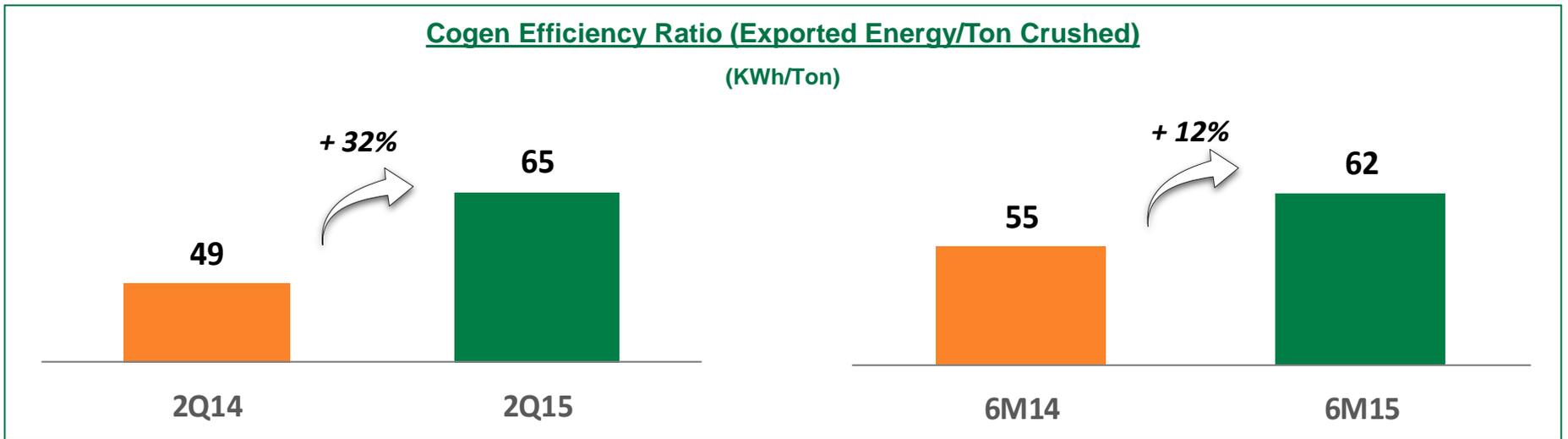
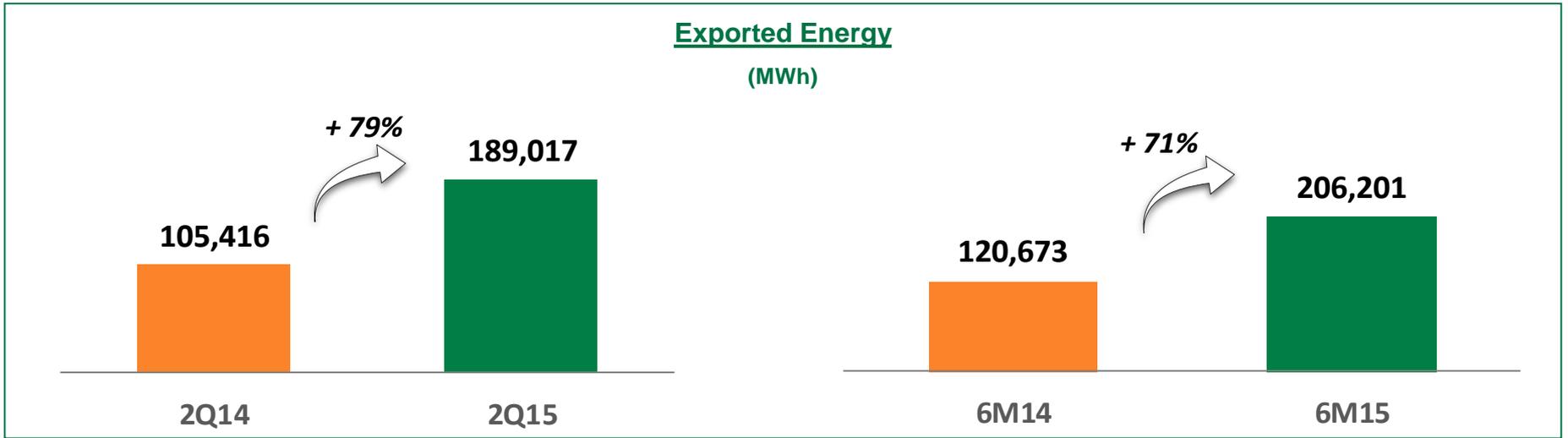
260,488

376,193

2Q14

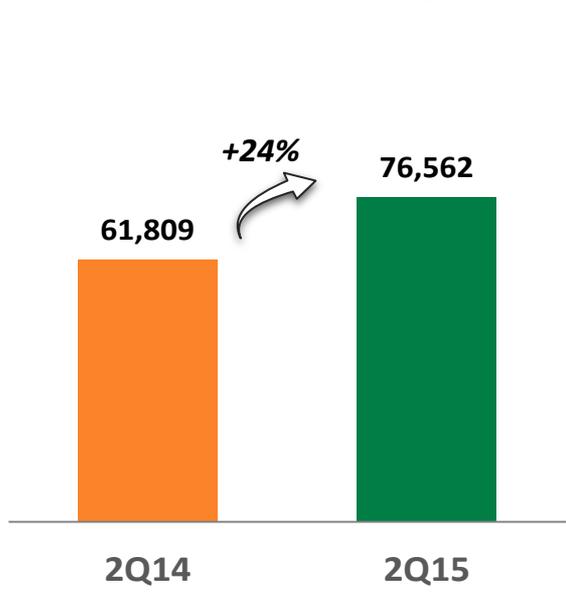
2Q15

**Cogen Efficiency Ratio increased 32%, driving energy exports 79% year-over-year**

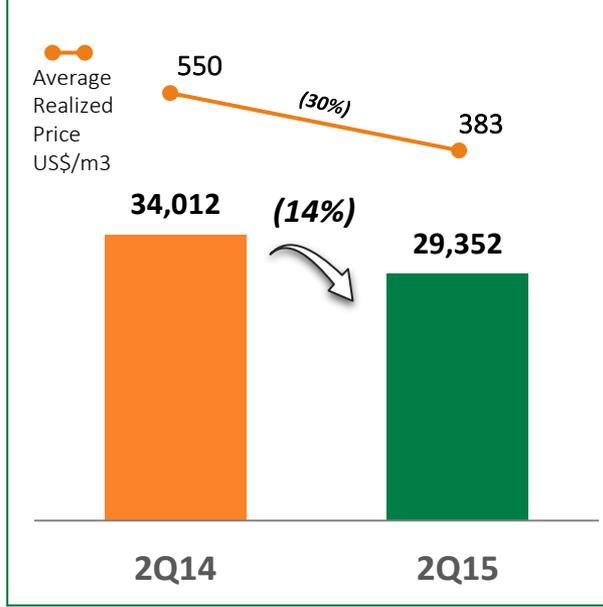


During June we began an ethanol carry strategy, aiming to capture higher prices at year end

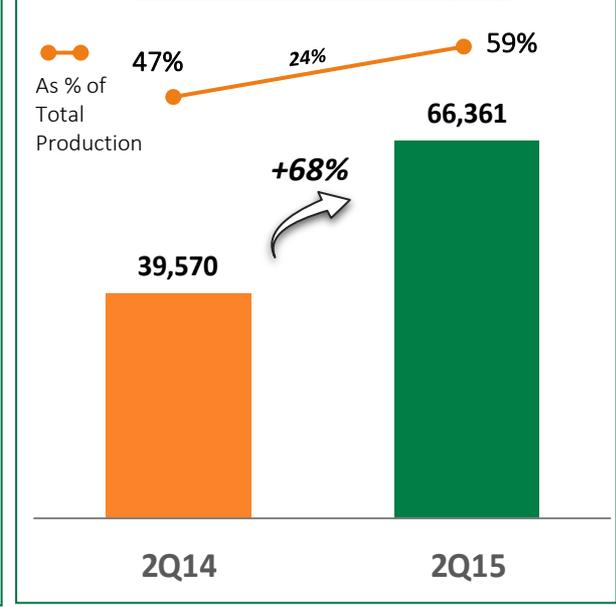
**Ethanol Sales Volume (m3)**



**Ethanol Sales (\$ '000)**

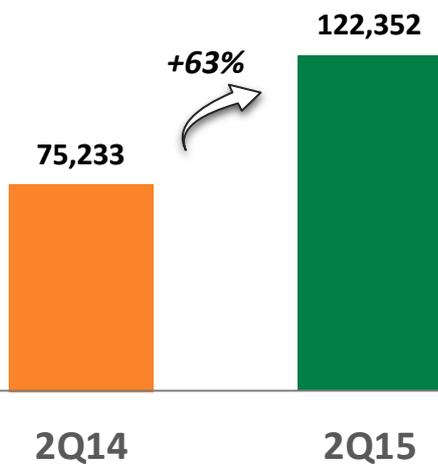


**Ethanol Inventories (m3)**

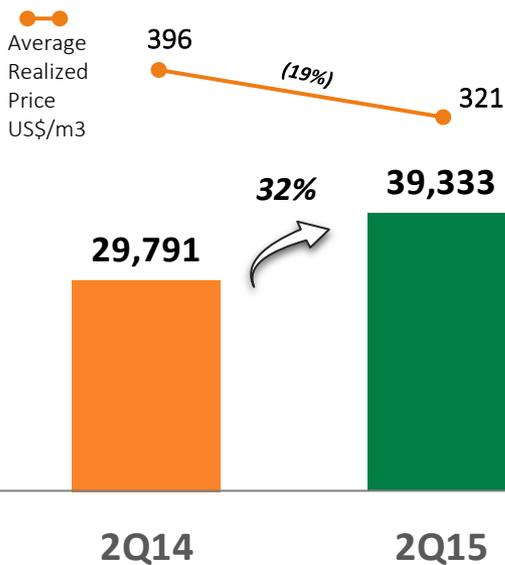


Higher sugar selling volumes more than offset weak sugar prices during the quarter

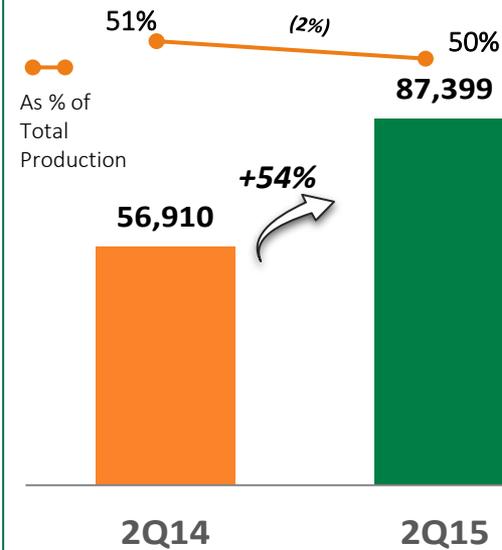
**Sugar Sales (Tons)**



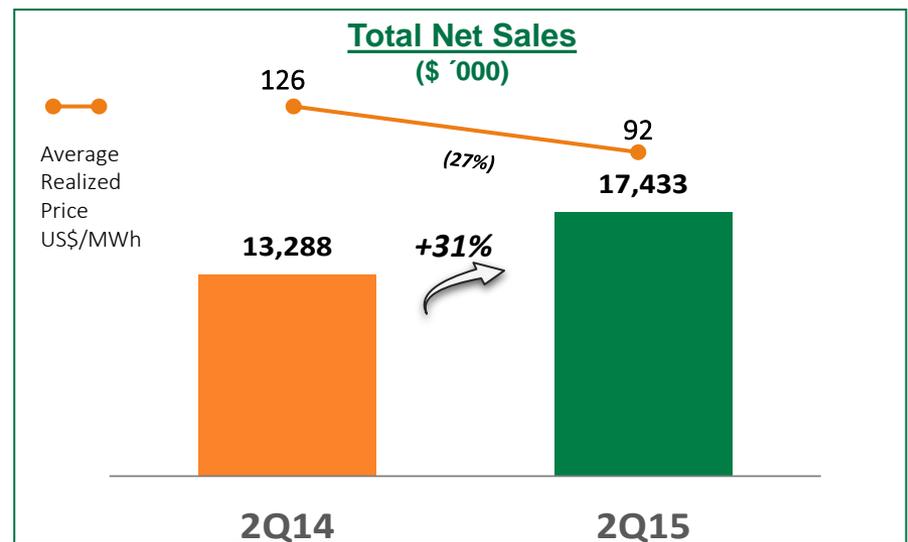
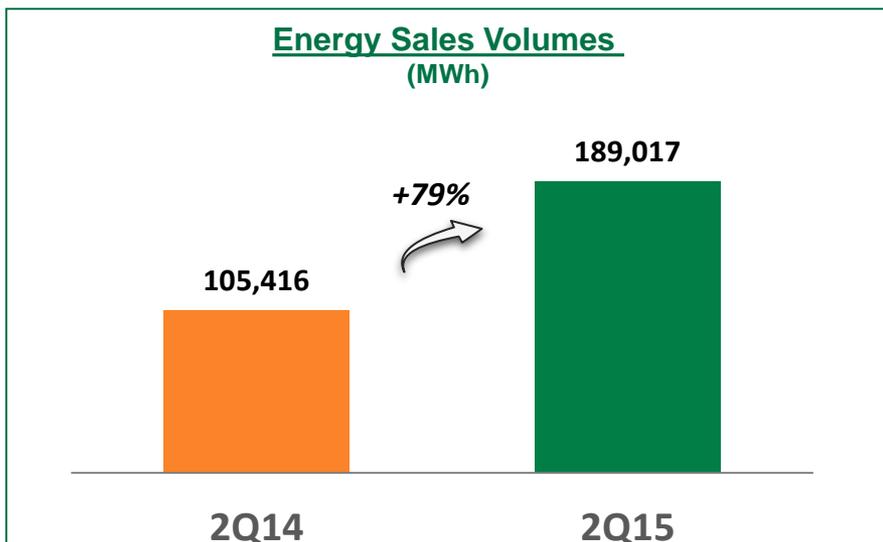
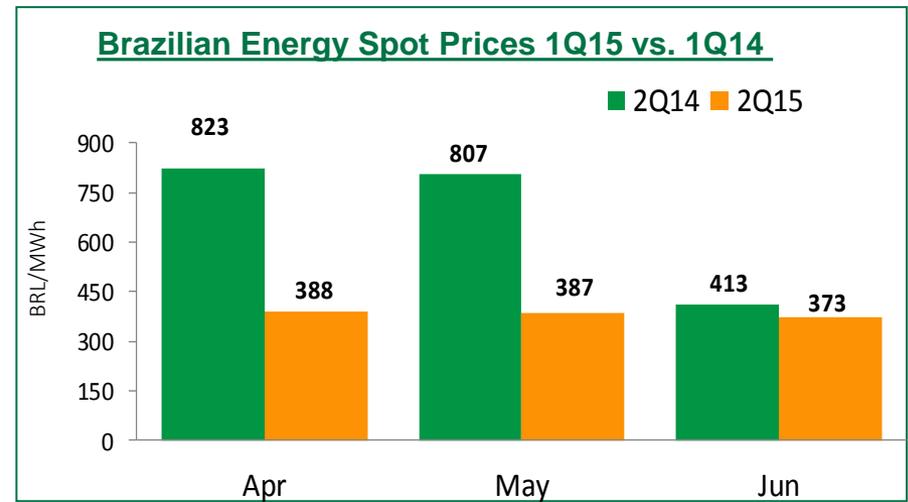
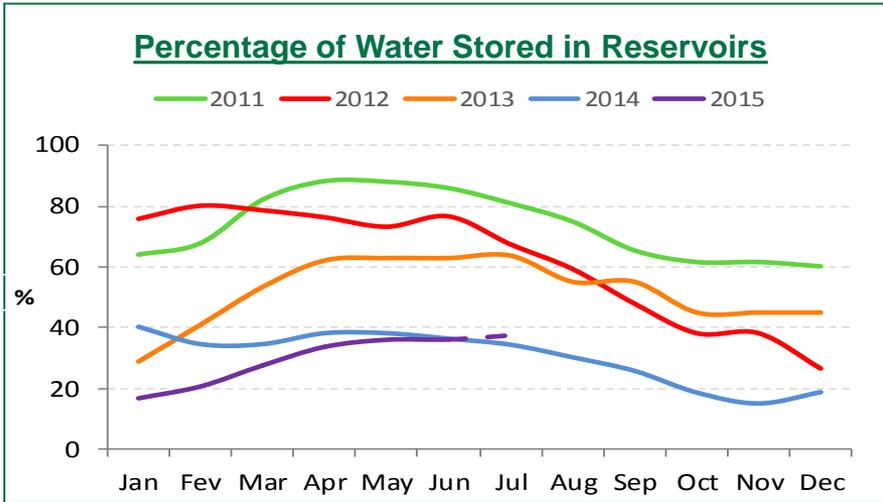
**Sugar Sales (\$ '000)**



**Sugar Inventories (m3)**

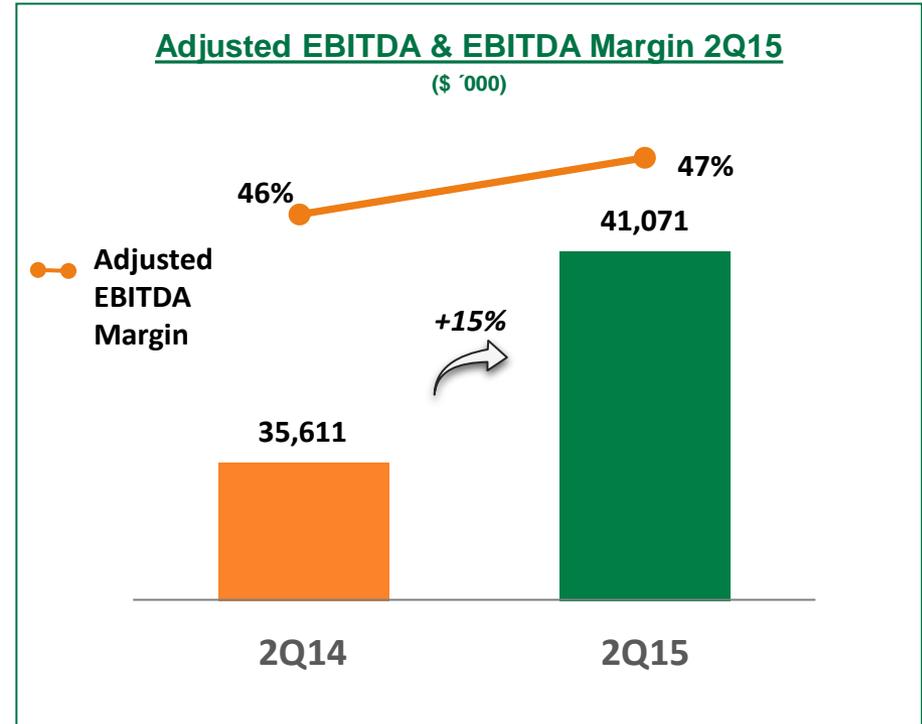
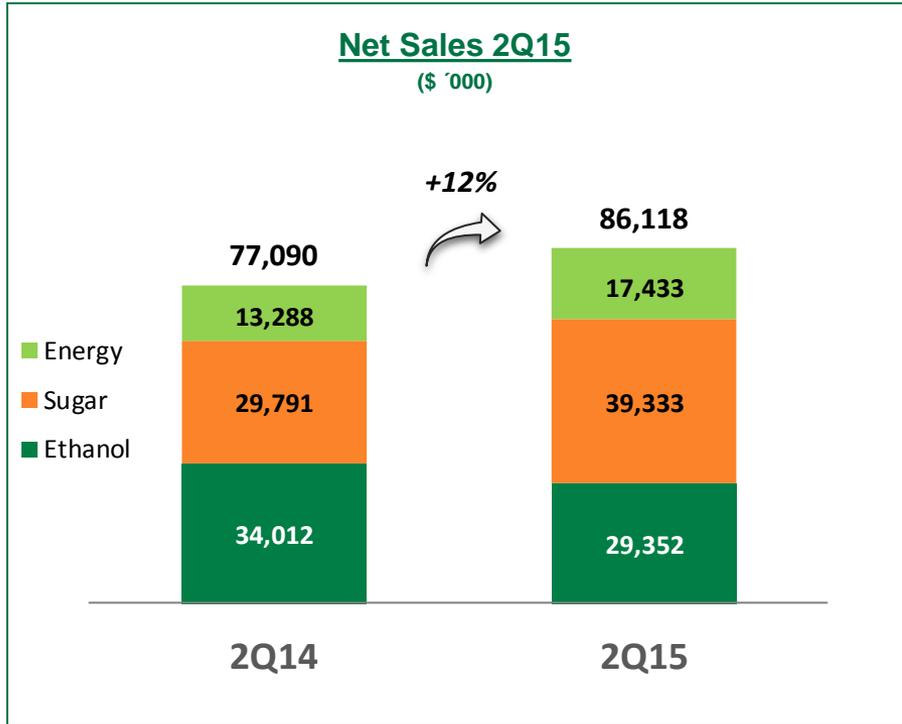


**Lower energy prices driven by the government ceiling price and BRL depreciation were offset by robust Cogen volume growth during 2Q15**



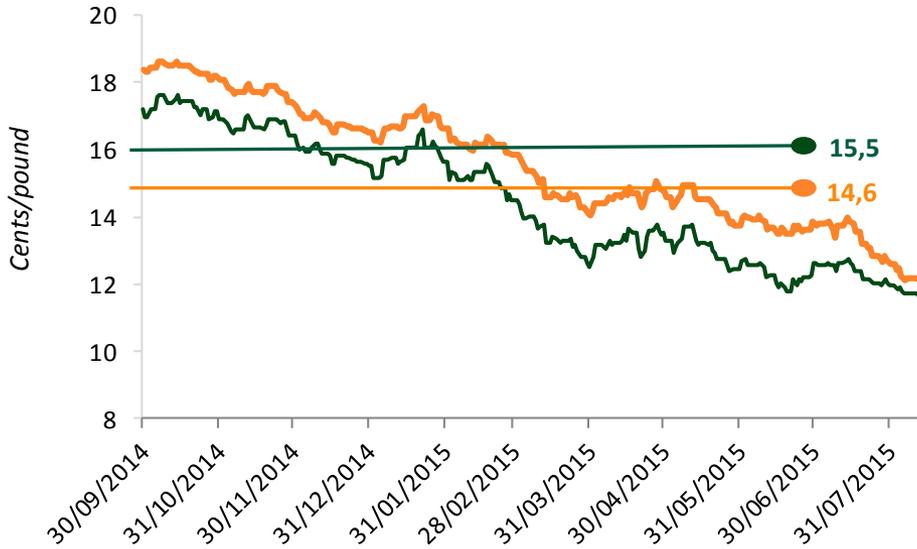


Increased profitability was primarily driven by increase in milling, agricultural productivity enhancements and cost dilution



Our 2015/16 sugar production is hedged at prices above the current market

**Sugar #11 Futures Contracts**



**Sugar 15/16 Hedge:**

- 390,000 tons (approximately 83% of production)
- Price: \$15.5 cents/pound

**Sugar 16/17 Hedge:**

- 115,000 tons (approximately 20% of production)
- Price: \$14.6 cents/pound

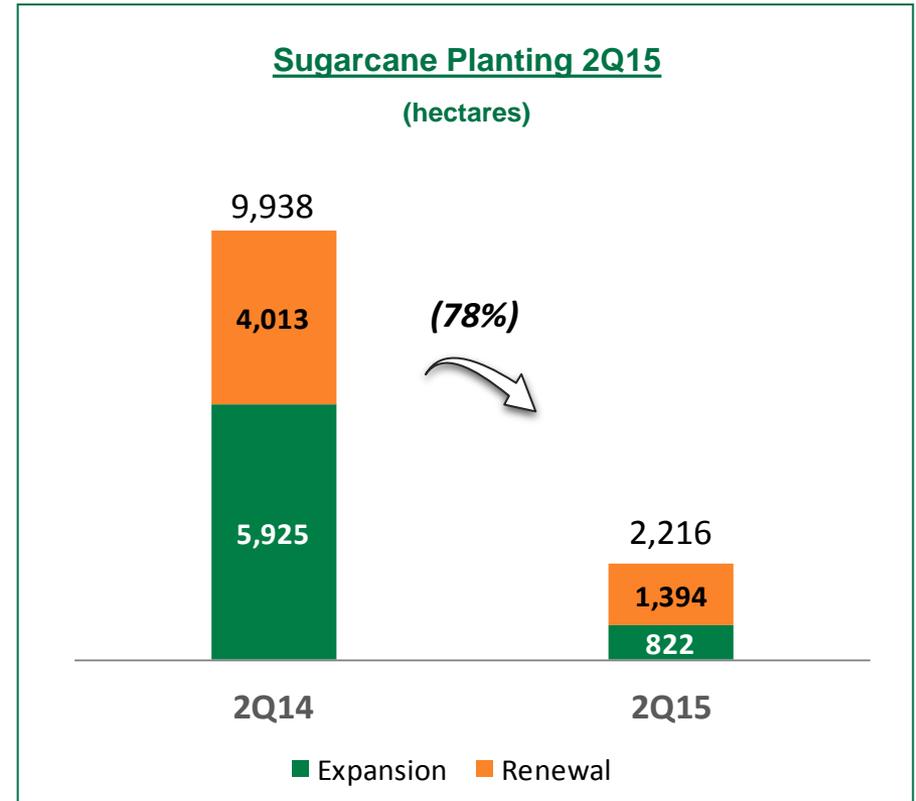
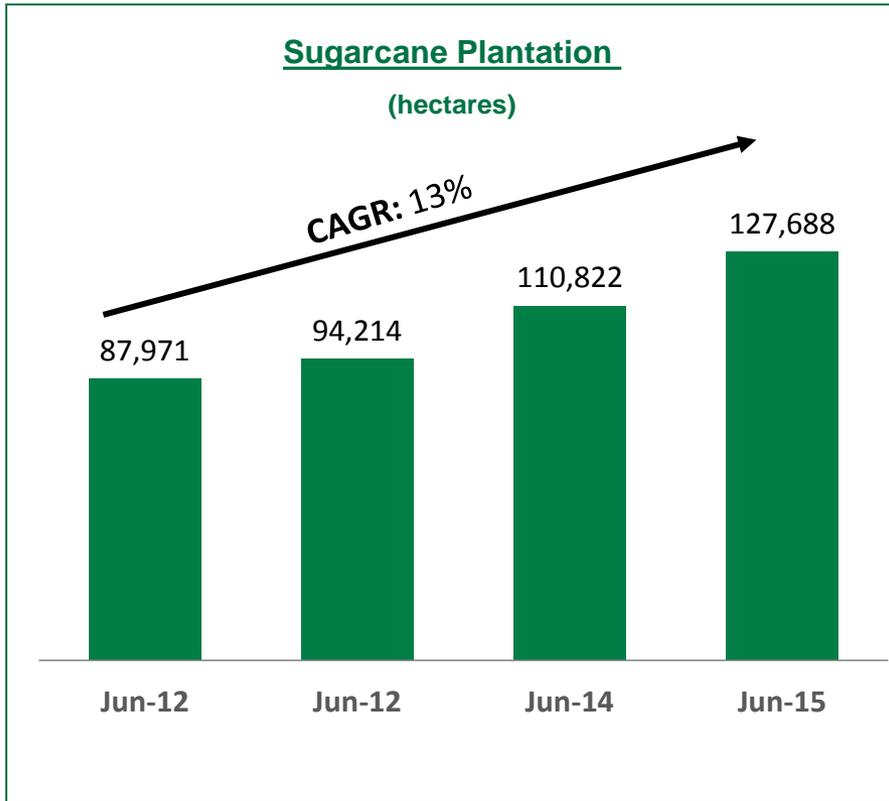
— Weighted average of the May 15, July 15, October 15 and March 16 contracts according to our hedge position for the 2015/2105 harvest season

— Weighted average of the May 16, July 16 and October 16 contracts according to our hedge position for the 2016/2107 harvest season

○ Hedges as of 06/30/15



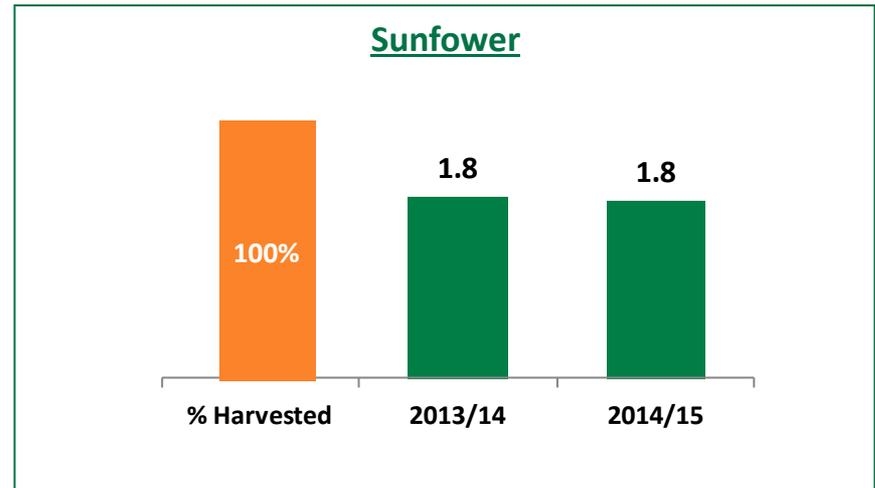
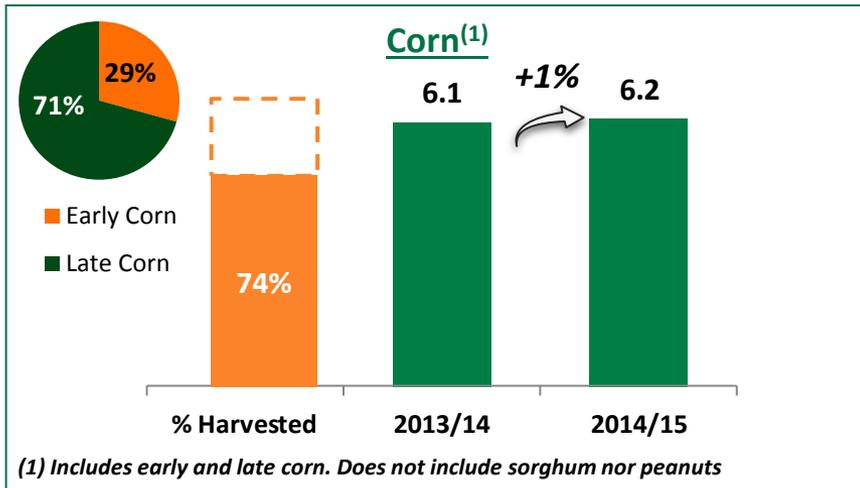
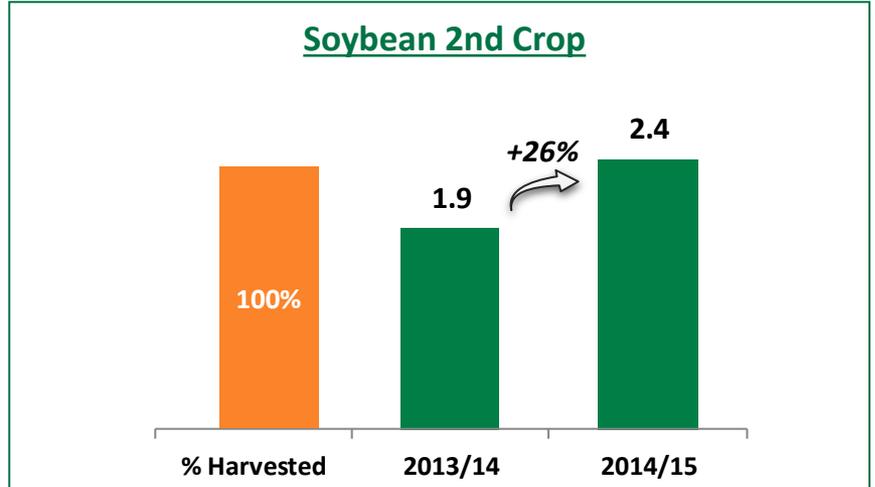
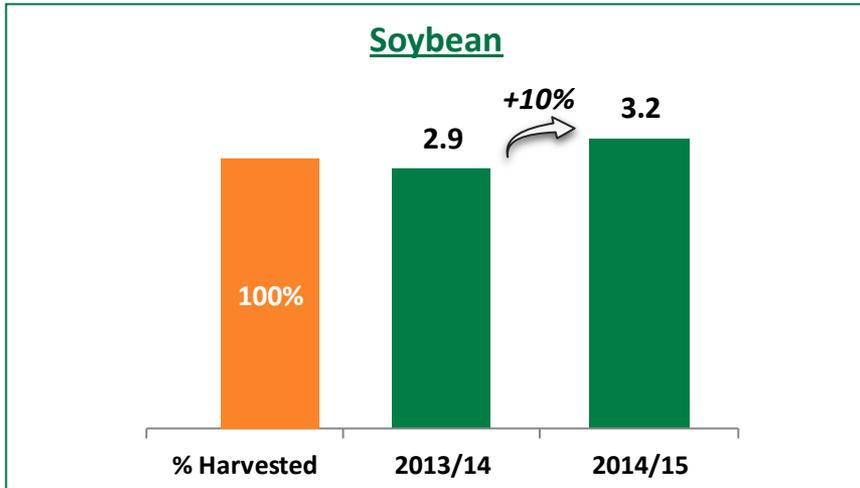
# Sugarcane expansion slowdown as we approach full capacity and achieve higher yields



A large stream of golden corn kernels is pouring from a red metal chute. The kernels are in motion, creating a blurred trail as they fall against a clear blue sky. The chute is on the left side of the frame, and the kernels are falling towards the bottom right.

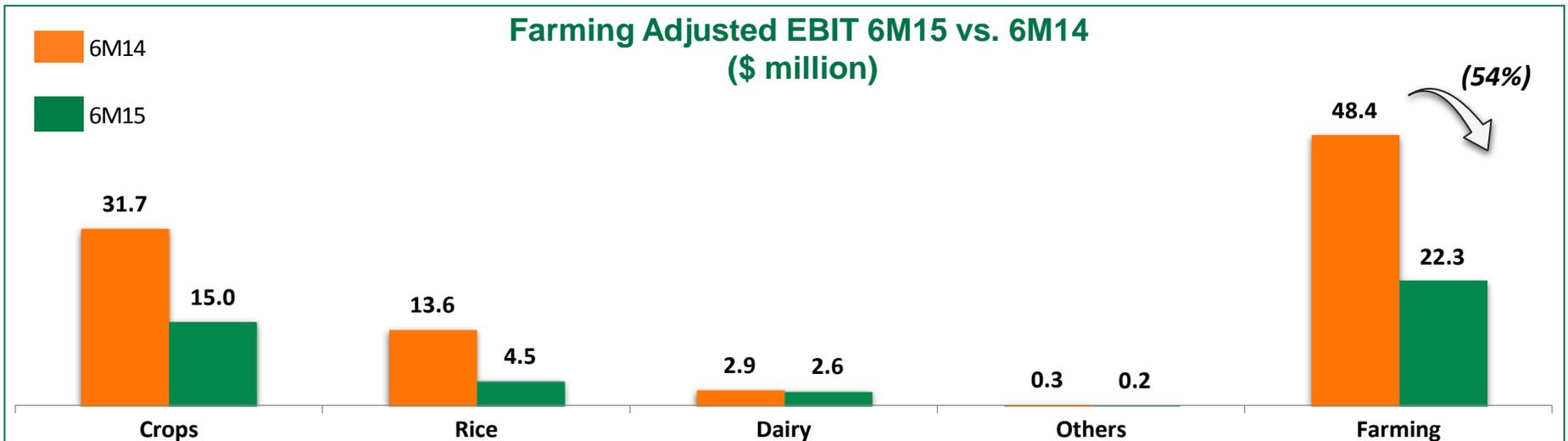
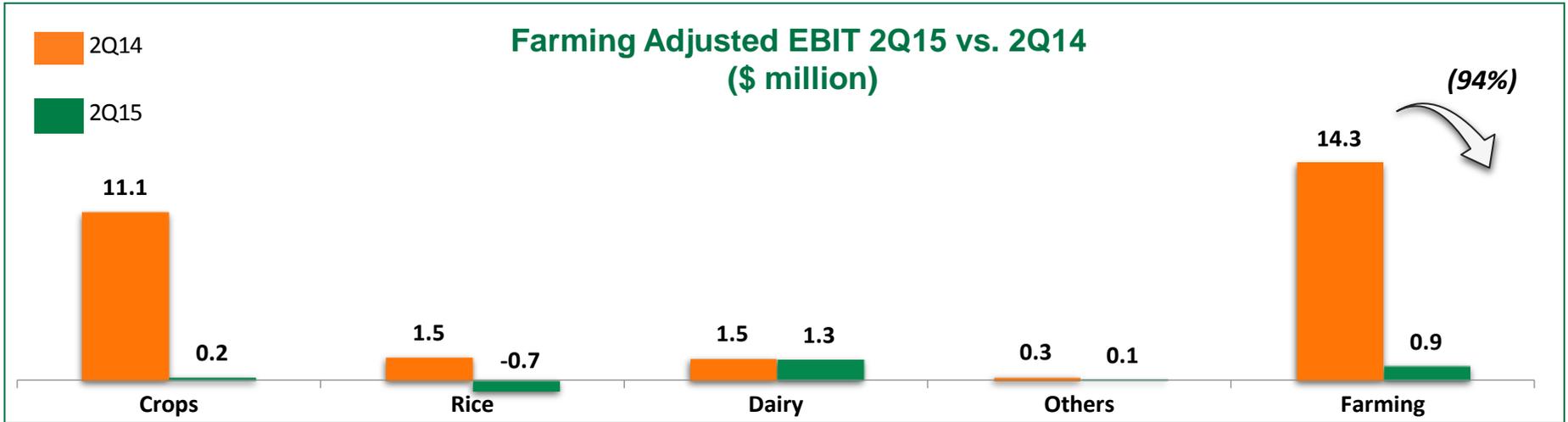
# Farming Business

Enhanced efficiencies and good practices coupled with an average weather resulted in higher productivity for most of our crops



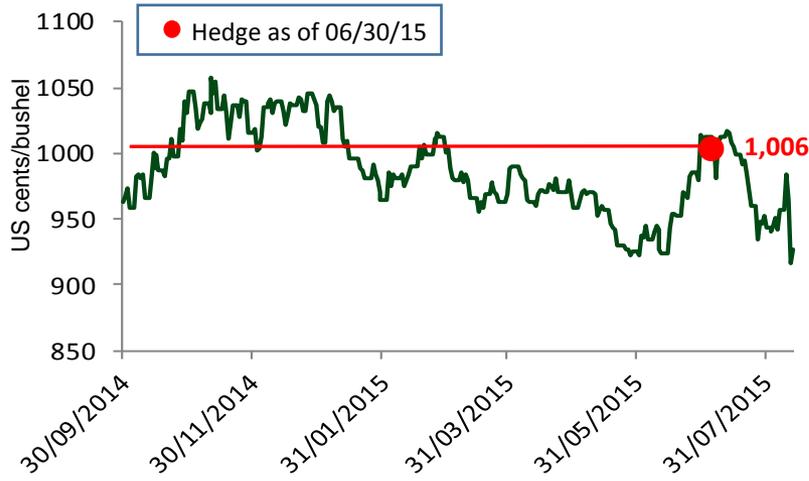
(1) Includes early and late corn. Does not include sorghum nor peanuts

2Q15 Adjusted EBITDA has been impacted by low prices, hedge results and the appreciation of the Argentine Peso in real terms



Our commodity hedge position was negatively impacted by the rally in commodity prices during the end of the quarter

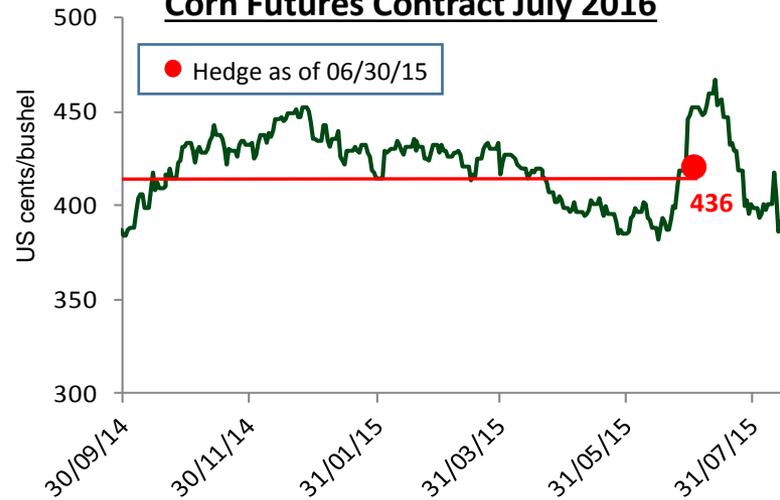
**Soybean Futures Contract July 2016**



**Soybean 15/16 Hedge:**

- 165,000 tons hedged (approximately 73% of production) @ \$1,006 cents/bushel
- As of June 30th, prices rallied to \$1,014 cents/bushel, generating a mark-to-market loss
- Since mid July, prices have fallen sharply. At current levels, **the MTM loss booked in 2Q15 has been reversed**

**Corn Futures Contract July 2016**



**Corn 15/16 Hedge:**

- 141,000 tons already hedged (approximately 55% of production) @ \$436 cents/bushel
- As of June 30th, prices rallied to \$446 cents/bushel, generating a mark-to-market loss.
- Since mid July, prices have fallen sharply. At current levels, **the MTM loss booked in 2Q15 has been reversed**



# Financial Performance





## Financial Performance has been mostly impacted by lower prices and the market-to-market of our derivatives position

Area & Production	2010	2011	2012	2013	2014	2Q14	2Q15	Chg%	6M14	6M15	Chg%
Farming Planted Area (hect.) <sup>(1)</sup>	183,454	192,207	232,547	219,305	224,373	219,416	224,373	2.3%	219,416	224,373	2.3%
Sugarcane Planted Area (hect.)	53,799	65,308	85,663	99,409	124,412	110,822	127,688	15.2%	110,822	127,688	15.2%
Farming Production (tons) <sup>(2)</sup>	618,834	666,589	738,847	699,179	848,843	721,473	750,608	4.0%	721,473	750,608	4.0%
Sugarcane Crushing (tons)	4,066,115	4,168,082	4,488,935	6,417,951	7,232,827	2,149,829	2,920,887	36%	2,195,011	3,381,011	54%
Net Sales	2010	2011	2012	2013	2014	2Q14	2Q15	Chg%	6M14	6M15	Chg%
Farming & Land Transformation	197,741	270,766	322,368	327,163	315,837	120,448	78,529	(34.8%)	166,532	137,216	(17.6%)
Sugar, Ethanol & Energy	204,256	258,939	271,447	297,265	378,633	77,090	86,118	11.7%	125,543	136,667	8.9%
<b>Total</b>	<b>401,997</b>	<b>529,705</b>	<b>593,815</b>	<b>624,428</b>	<b>694,470</b>	<b>197,538</b>	<b>164,647</b>	<b>(16.7%)</b>	<b>292,075</b>	<b>273,883</b>	<b>(6.2%)</b>
Adjusted EBITDA	2010	2011	2012	2013	2014	2Q14	2Q15	Chg%	6M14	6M15	Chg%
Farming & Land Transformation	65,735	67,444	68,647	88,942	85,234	41,770	2,624	(93.7%)	77,658	25,716	(66.9%)
Sugar, Ethanol & Energy	51,735	109,507	97,505	115,239	153,503	35,611	41,071	15.3%	39,422	58,997	49.7%
Corporate	(22,353)	(26,885)	(25,442)	(23,478)	(23,233)	(4,579)	(4,242)	(7.4%)	(9,547)	(9,439)	(1.1%)
<b>Total</b>	<b>95,117</b>	<b>150,066</b>	<b>140,710</b>	<b>180,704</b>	<b>215,504</b>	<b>72,802</b>	<b>39,453</b>	<b>(45.8%)</b>	<b>107,533</b>	<b>75,274</b>	<b>(30.0%)</b>
Adjusted EBITDA Margin	2010	2011	2012	2013	2014	2Q14	2Q15	Chg%	6M14	6M15	Chg%
Farming & Land Transformation <sup>(1)</sup>	27.6%	19.9%	17.3%	23.6%	23.3%	32.8%	0.6%	(98.0%)	43.8%	15.3%	(65.0%)
Sugar, Ethanol & Energy <sup>(1)(2)</sup>	19.9%	37.1%	31.2%	34.8%	37.5%	43.2%	45.2%	4.6%	27.6%	39.7%	43.9%
<b>Total</b>	<b>23.7%</b>	<b>28.3%</b>	<b>23.7%</b>	<b>28.9%</b>	<b>31.0%</b>	<b>36.9%</b>	<b>24.0%</b>	<b>(35.0%)</b>	<b>36.8%</b>	<b>27.5%</b>	<b>(25.3%)</b>

(1) Planted Area for 2014/15 season

(2) Total Production for the 2014/15 season

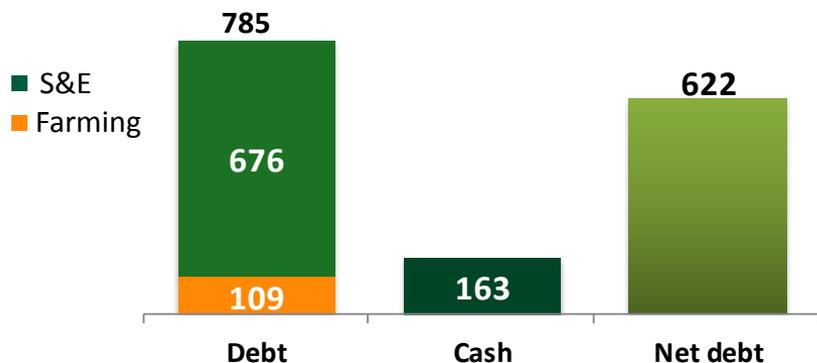
(3) Corporate expenses allocated 50% to Farming & Land Transformation and 50% to Sugar, Ethanol & Energy

(4) Calculated over Net Sales. Net Sales is calculated as Sales less sugar and ethanol sales taxes.

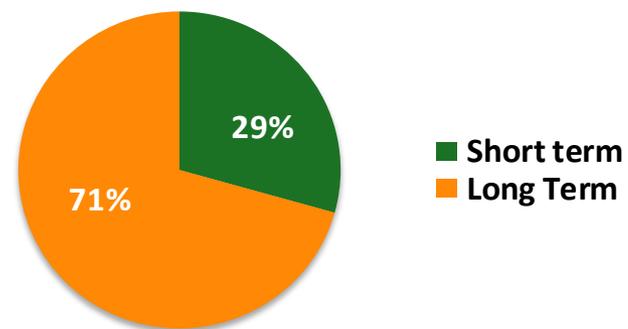


# Net debt stands at \$622 million as of June 30, 2015

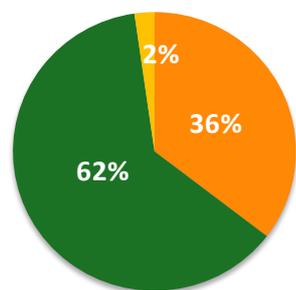
2Q15 Net debt  
(\$ millions)



2Q15 Debt Term Structure



2Q15 Debt Currency Structure



**Average Interest <sup>(1)</sup>**

BRL	6.7%
USD	4.9%

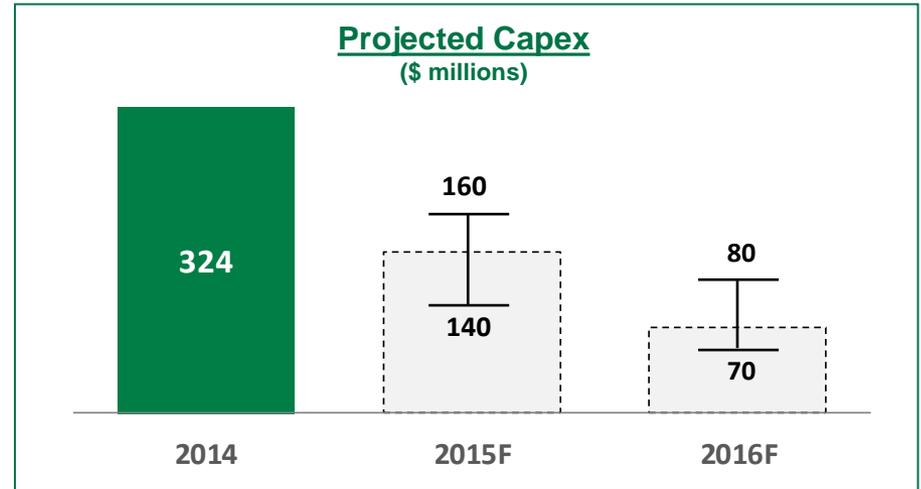
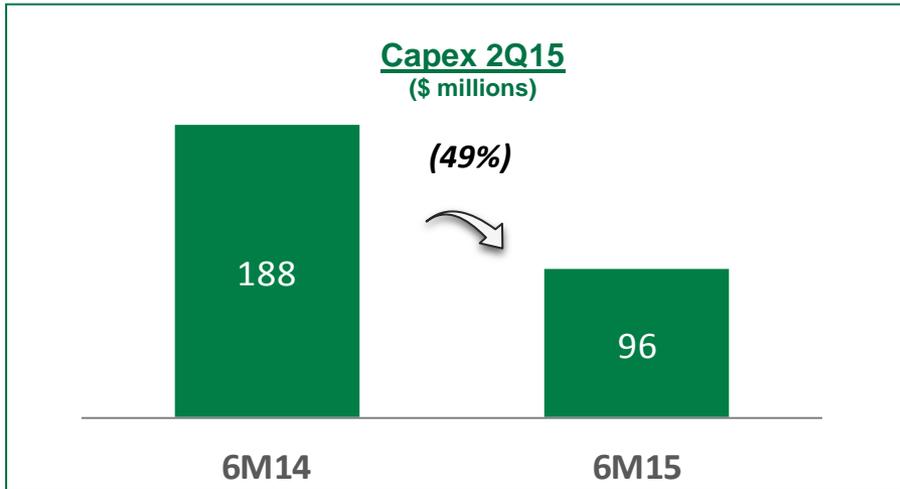
(1) As of June 30st 2015

■ Brazilian Reals  
■ Argentine Pesos  
■ US Dollars

- Total debt as of June 30, 2015 was of \$785 million.
- 71% of our debt is in the long term, composed mainly of loans from multilateral banks
- Net debt as of June 30, 2015 was of \$622 million

## 6M15 Capital Expenditures decreased 48.8%, reflecting the end of the Capex cycle

- As previously anticipated, Capex is expected to slow down in the coming years after the completion of the Ivinhema mill



# Thank you!



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## **Investor Relations**

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