



3rd Quarter 2016 Earnings Webcast

November 16, 2016

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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





Increase in sugarcane crushing driven by nominal capacity ramp up coupled with enhanced milling efficiencies

Operational Metrics - 3Q16 vs. 3Q15

Operational Metrics	3Q16	3Q15	% Change
Total Days	92	92	0%
Effective Milling Days	77	67	16%
Total Crushing (k tons)	3,797	3,160	20%
Milling per Day (k tons)	49	47	4%

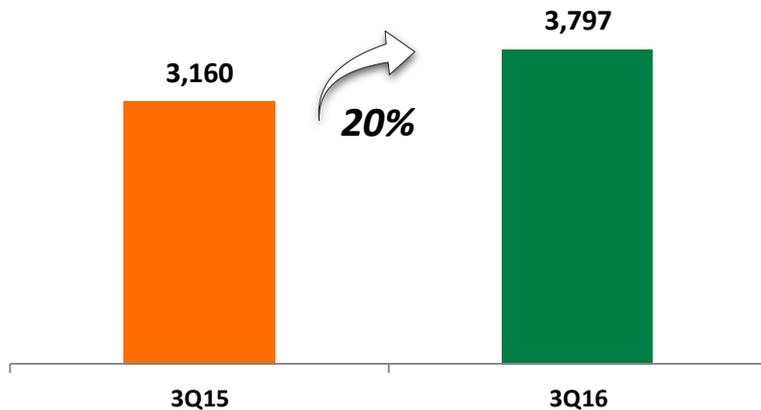
Operational Metrics - 9M16 vs. 9M15

Operational Metrics	9M16	9M15	% Change
Total Days	247	193	28%
Effective Milling Days	168	142	19%
Total Crushing (k tons)	7,997	6,541	22%
Milling per Day (k tons)	48	46	3%



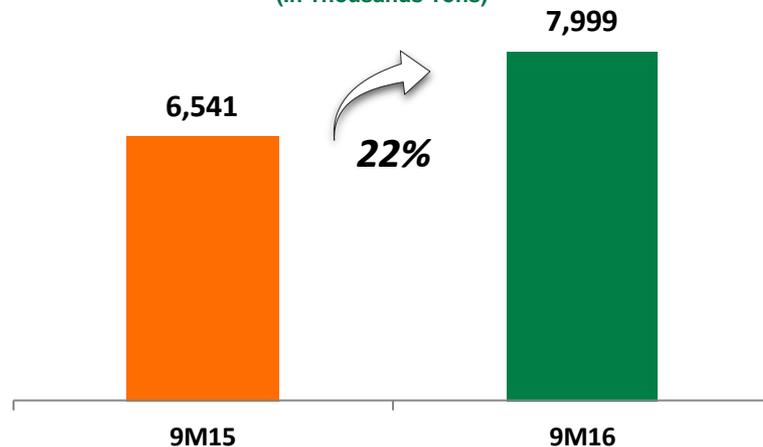
Sugarcane crushing

(In Thousands Tons)



Sugarcane crushing

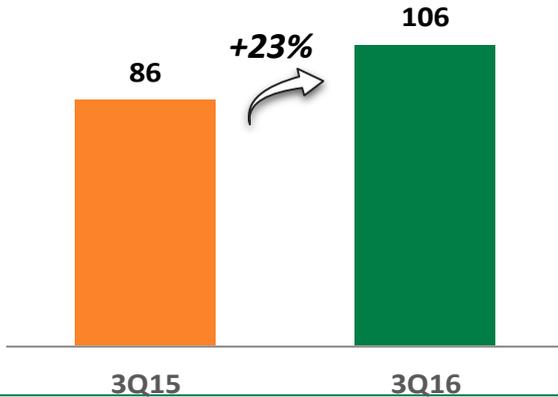
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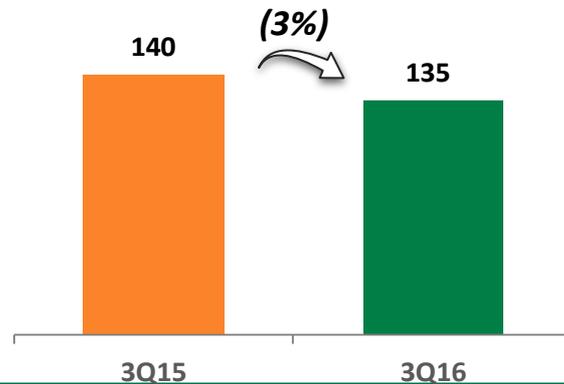


Agricultural productivity continues to be a key driver for growth and cost dilution

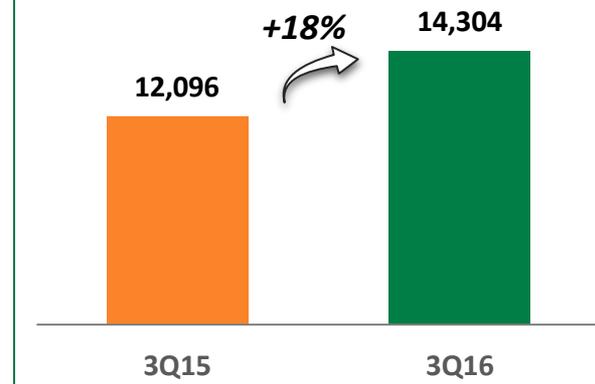
Yield per Hectare



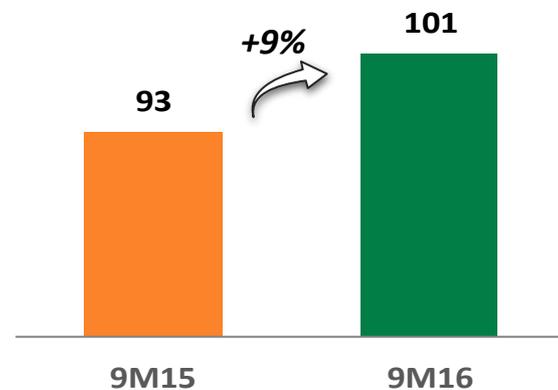
TRS per Ton



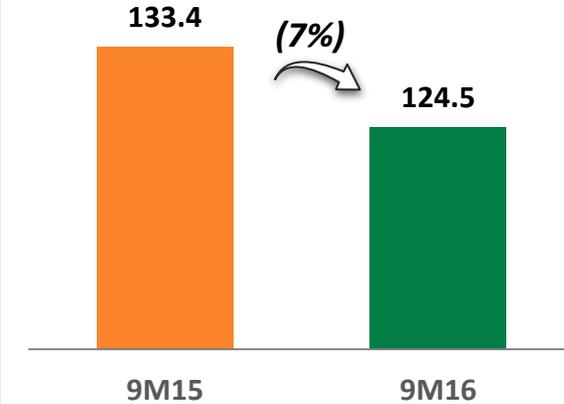
TRS per Hectare



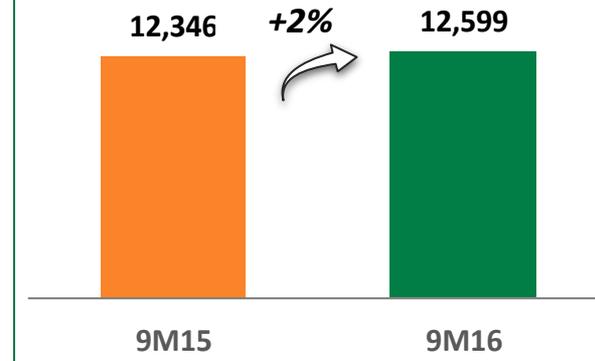
Yield per Hectare



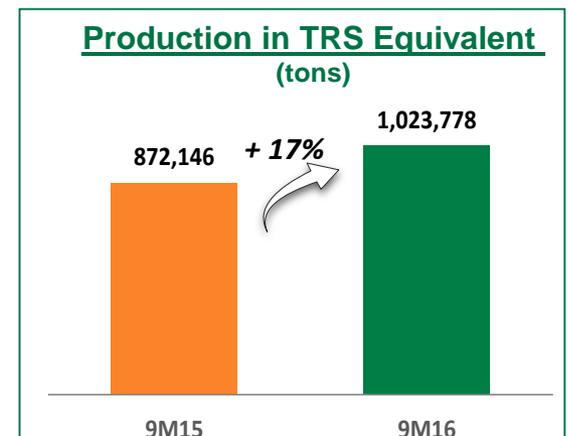
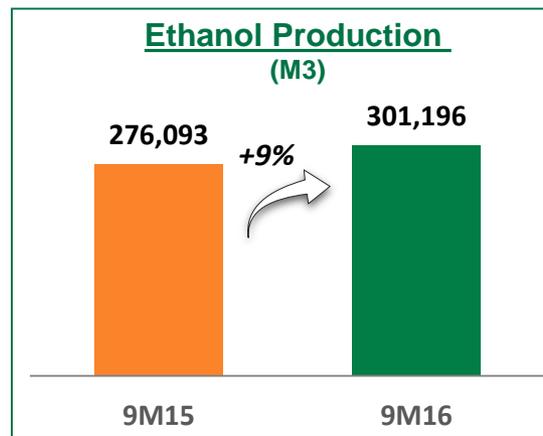
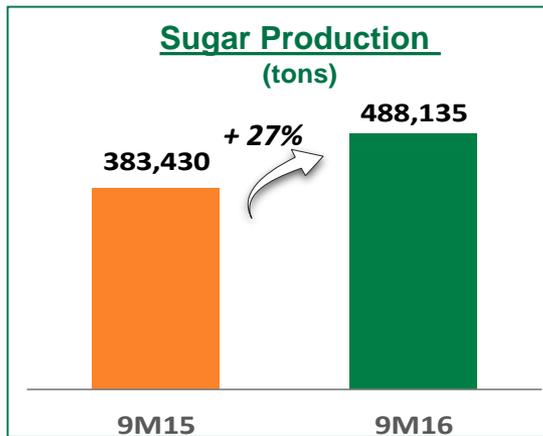
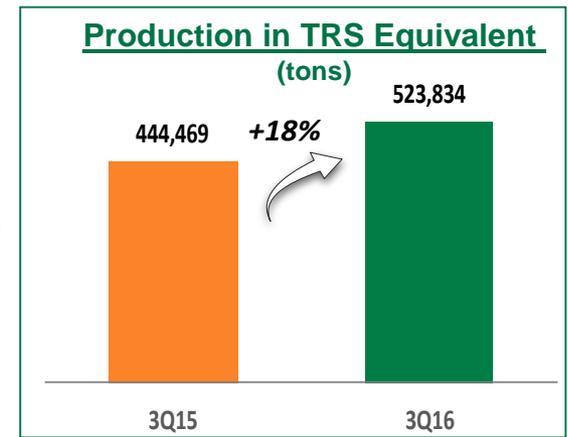
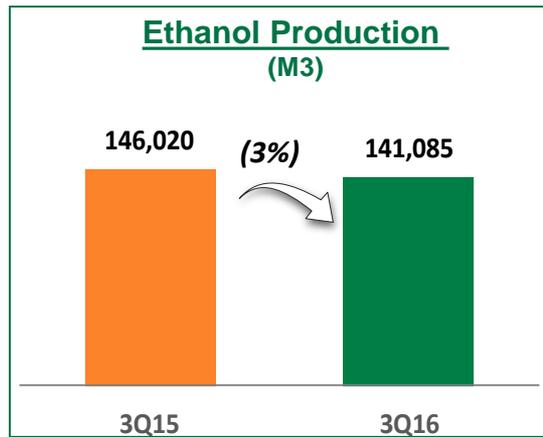
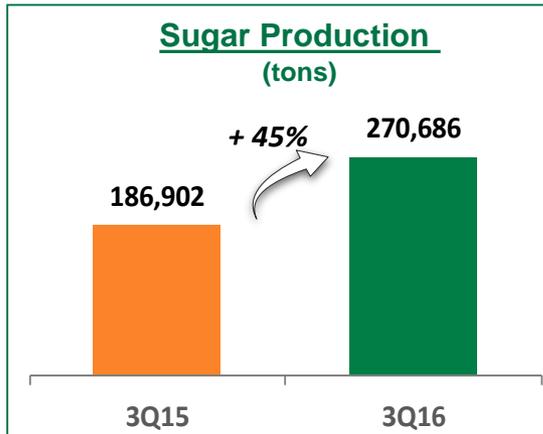
TRS per Ton



TRS per Hectare



Production was boosted by higher milling efficiency and cane availability





Production cost dilution in BRL driven by cluster ramp-up, operational enhancements and higher milling

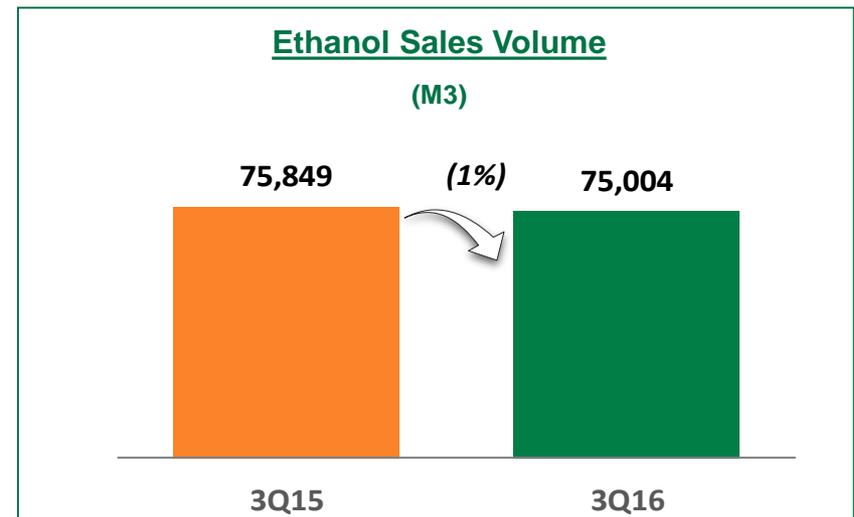
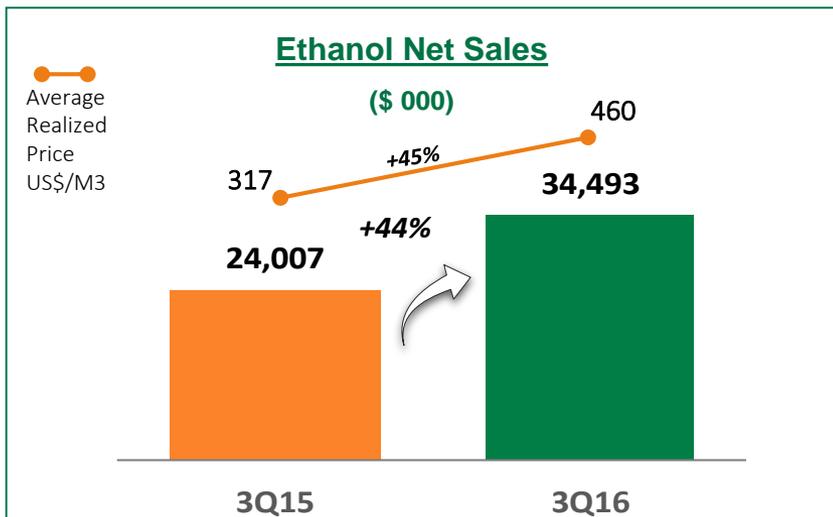
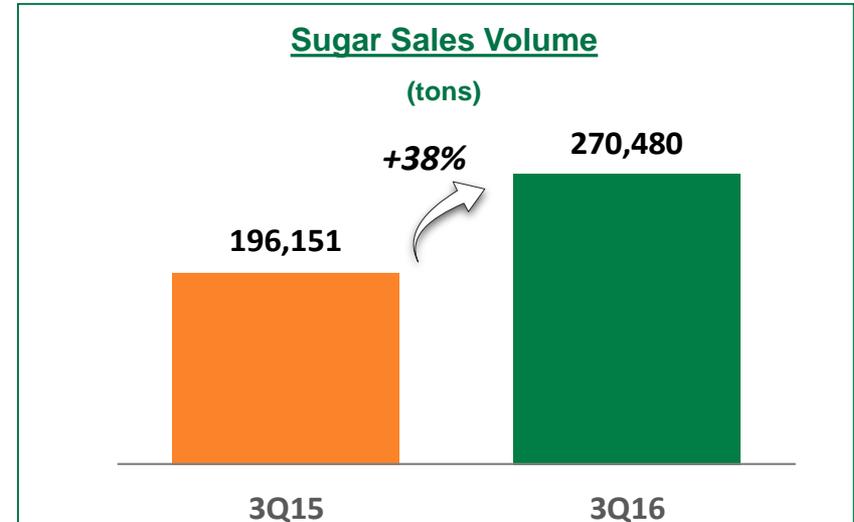
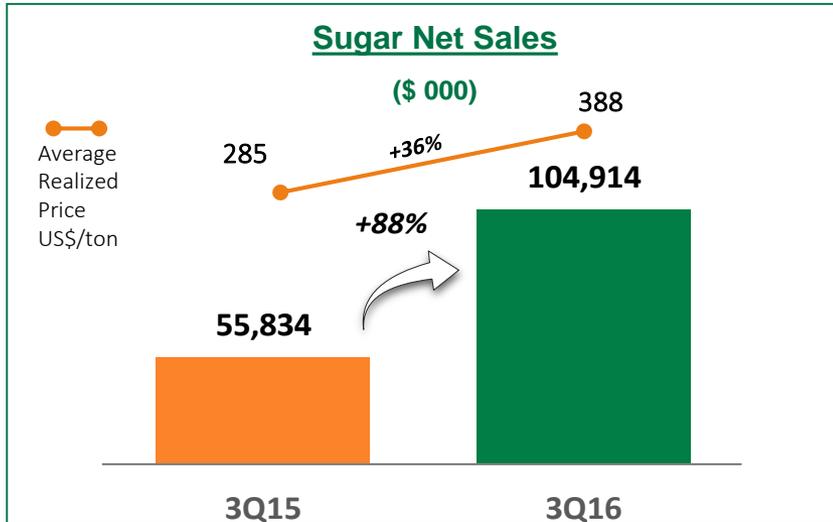
Sugar, Ethanol & Energy - Total Production Costs						
<i>\$ thousands</i>	3Q16	3Q15	Chg %	9M16	9M15	Chg %
Industrial costs	20,883	15,288	36.6%	47,112	38,882	21.2%
Agricultural costs	84,959	60,955	39.4%	171,109	150,972	13.3%
<i>Harvest costs</i>	46,730	27,876	67.6%	100,088	82,548	21.2%
<i>Cane from 3rd parties</i>	11,307	13,737	(17.7%)	16,790	21,425	(21.6%)
<i>Leasing costs</i>	12,668	9,249	37.0%	28,334	23,528	20.4%
<i>Maintenance costs</i>	14,254	10,093	41.2%	25,897	23,471	10.3%
Total Production Costs	105,842	76,243	38.8%	218,221	189,854	14.9%
Total Production Costs (in BRL)	356,254	305,555	16.6%	747,517	648,408	15.3%
<i>Total production costs per ton of sugarcane crushed (USD/Ton)</i>	28	24	15.5%	27	29	(6.0%)
<i>Total production costs per ton of sugarcane crushed (BRL/Ton)</i>	94	97	(3.0%)	93	99	(5.7%)

► Main Drivers for cost dilution:

- ✓ Increase in sugarcane milling
- ✓ Higher agricultural productivity
- ✓ Efficiency enhancements at industry and sugarcane logistics

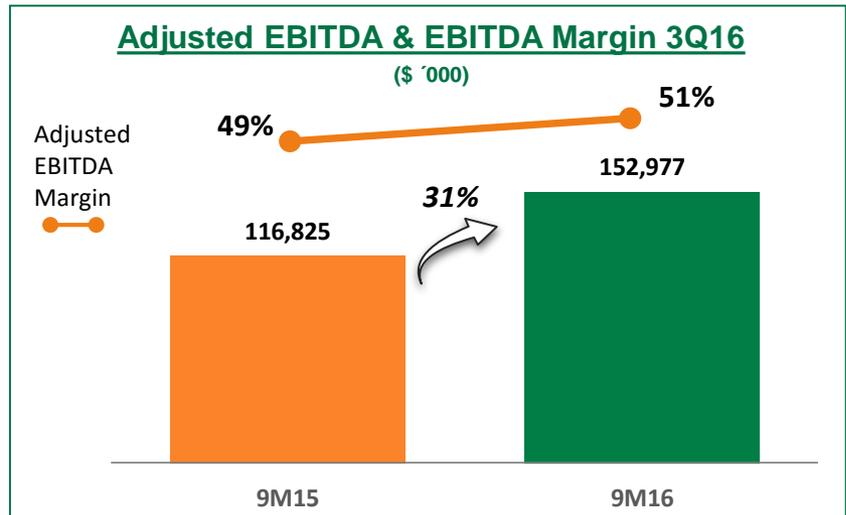
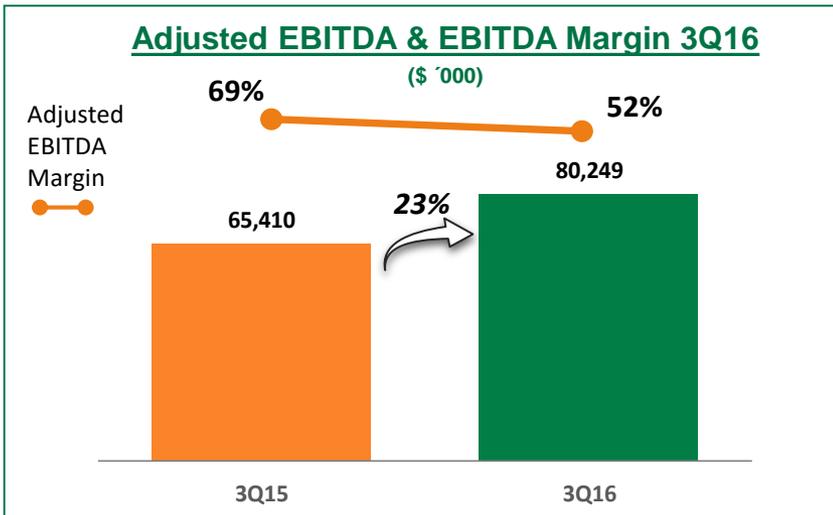
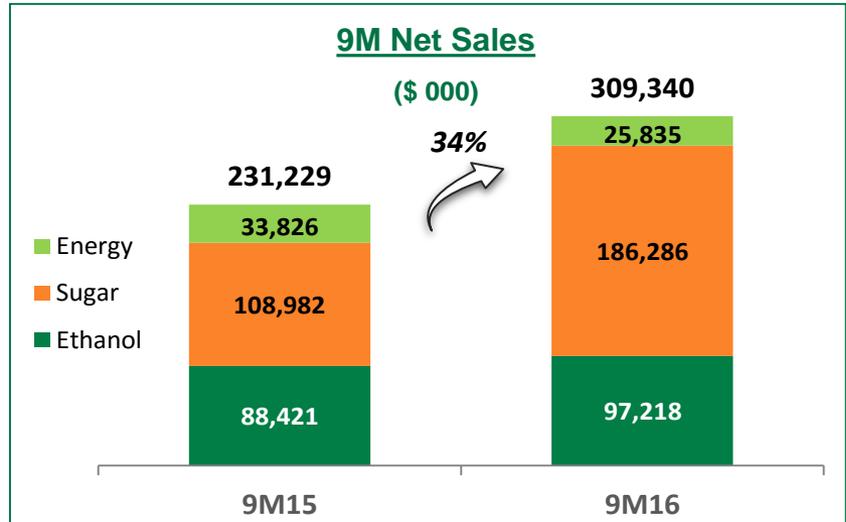
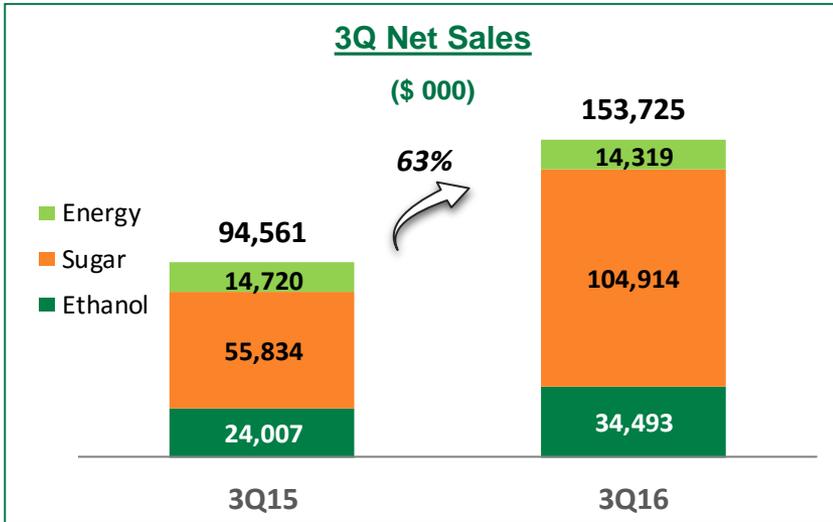


Sugar and Ethanol sales have increased significantly as a result of higher selling volumes and higher realized price in the case of ethanol





Adj EBITDA expanded 23% in 3Q16 driven by higher prices, productivity gains and cost dilution

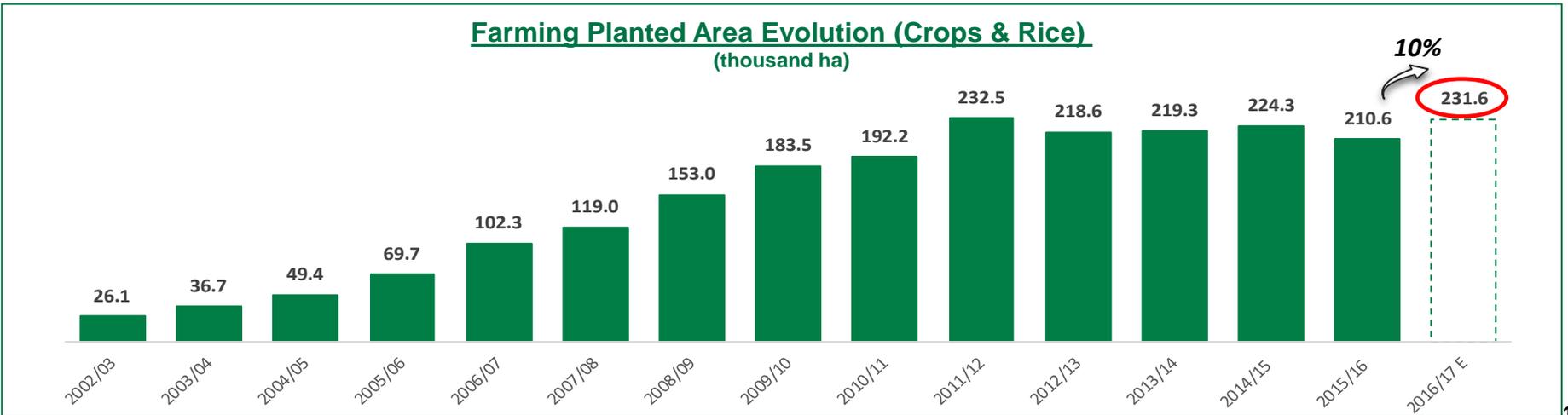
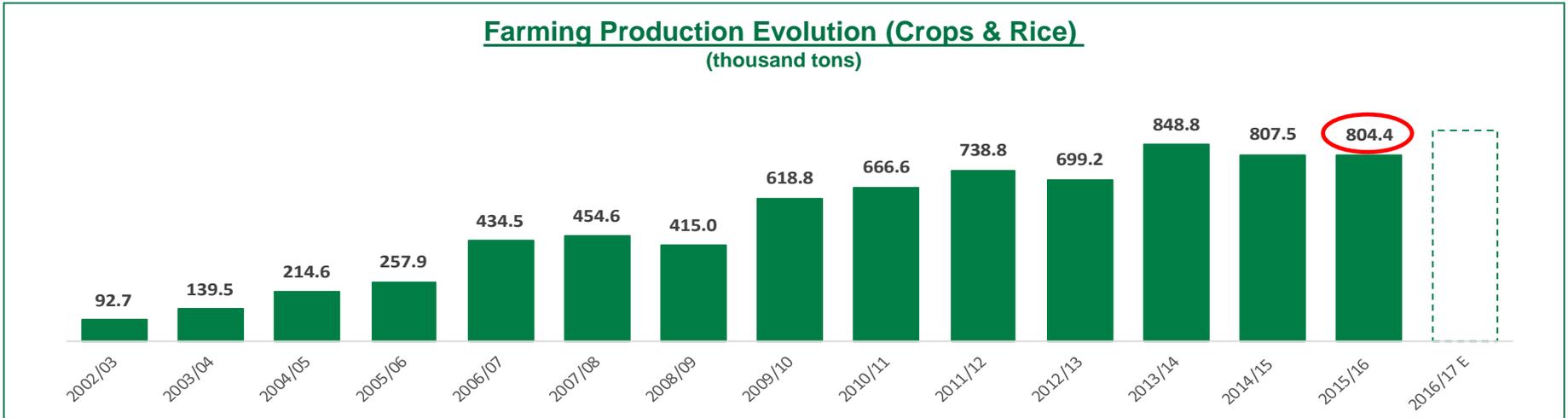


A large stream of golden corn kernels is falling from a red metal chute. The kernels are in motion, creating a blurred trail as they fall against a clear blue sky. The chute is on the left side of the frame, and the kernels are falling towards the bottom right.

Farming Business



15/16 harvest is complete, 804 thousand tons were harvested. Planting activities for 16/17 crop are underway. We expect 10% increase in area





We are focused on successfully completing the 2016/17 crop planting plan on schedule

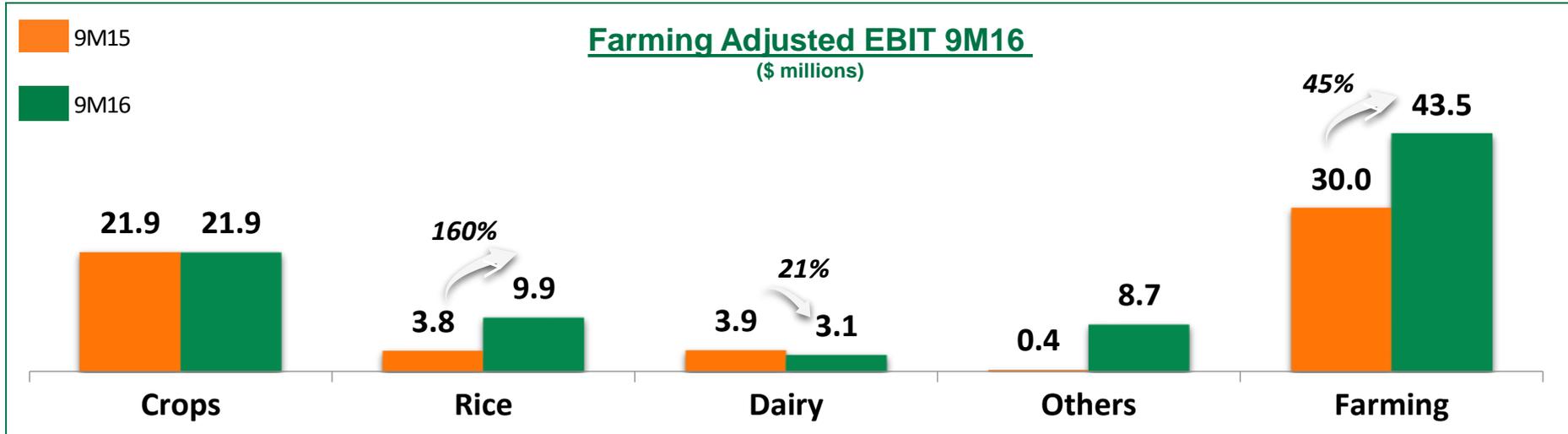
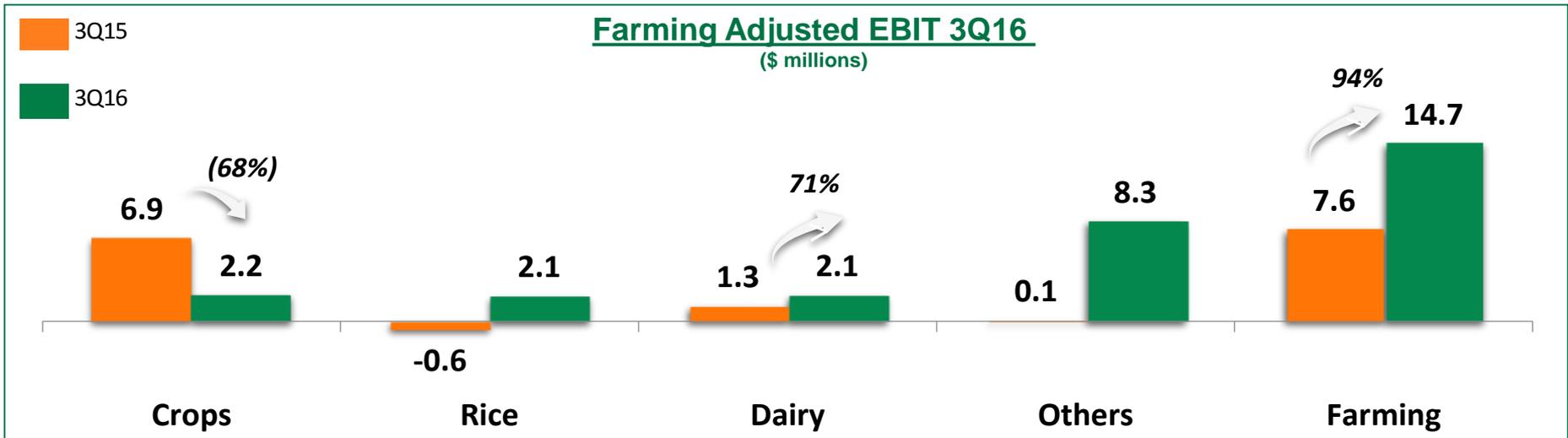
Farming Production Data

Planting & Production	Planting Plan (hectares)			2016/17 Planting Progress	
	2016/2017E	2015/2016	Chg %	Planted	%
Soybean	60,825	59,474	2.3%	-	0.0%
Soybean 2 nd Crop	32,958	28,903	14.0%	-	0.0%
Corn ⁽¹⁾	45,443	38,663	18%	7,751	17.2%
Corn 2 nd Crop	9,177	3,994	129.8%	-	0.0%
Wheat ⁽²⁾	38,185	32,396	17.9%	37,465	98.1%
Sunflower	5,399	9,547	(43.5%)	2,272	42.1%
Cotton	2,121	-	n.a	-	-
Total Crops	194,107	172,976	12.2%	47,487	24.5%
Rice	37,565	37,580	(0.0%)	31,645	84.2%
Total Farming	231,673	210,556	10.0%	79,132	34.2%
Owned Croppable Area	122,873	120,065	2.3%		
Leased Area	73,676	64,486	14.3%		
Second Crop Area	35,123	26,005	35.1%		
Total Farming Area	231,673	210,556	10.0%		

(1) Includes sorghum and peanuts

(2) Includes barley.

Adjusted EBIT in 3Q16 increased 94% driven by productivity gains in the Rice and Dairy businesses, peso depreciation and gain from arbitration settlement





Financial Performance





Financial performance in 3Q16 was positively affected by higher sugar and ethanol prices and cost dilution driven by operational enhancements coupled with weaker local currencies

Area & Production	2012	2013	2014	2015	3Q15	3Q16	Chg%	9M15	9M16	Chg%
Farming Planted Area (hect.) ⁽¹⁾	232,547	219,305	224,343	210,556	224,343	210,556	(6.1%)	224,343	210,556	(6.1%)
Sugarcane Planted Area (hect.)	85,663	99,409	124,412	129,299	129,226	133,455	3.3%	129,226	133,455	3.3%
Farming Production (tons) ⁽²⁾	738,847	699,179	807,535	804,397	807,535	804,397	(0.4%)	807,535	804,397	(0.4%)
Sugarcane Crushing (tons)	4,488,935	6,417,951	7,232,827	8,335,448	3,160,379	3,797,200	20%	6,541,390	7,998,984	22%
Net Sales	2012	2013	2014	2015	3Q15	3Q16	Chg%	9M15	9M16	Chg%
Farming & Land Transformation	322,368	327,163	315,837	273,692	70,462	86,500	22.8%	207,678	212,727	2.4%
Sugar, Ethanol & Energy	271,447	297,265	378,633	374,978	94,561	153,725	62.6%	231,229	309,340	33.8%
Total	593,815	624,428	694,470	648,670	165,023	240,225	45.6%	438,907	522,067	18.9%
Adjusted EBITDA	2012	2013	2014	2015	3Q15	3Q16	Chg%	9M15	9M16	Chg%
Farming & Land Transformation	68,647	88,942	85,234	70,282	9,121	16,054	76.0%	35,008	47,333	35.2%
Sugar, Ethanol & Energy	97,505	115,239	153,503	154,565	65,410	80,249	22.7%	116,825	152,977	30.9%
Corporate	(25,442)	(23,478)	(23,233)	(21,776)	(6,517)	(6,476)	(0.6%)	(15,956)	(16,113)	1.0%
Total	140,710	180,704	215,504	203,071	68,014	89,827	32.1%	135,877	184,197	35.6%
Adjusted EBITDA Margin	2012	2013	2014	2015	3Q15	3Q16	Chg%	9M15	9M16	Chg%
Farming & Land Transformation ⁽¹⁾	17.3%	23.6%	23.3%	21.7%	8.3%	14.8%	78.1%	13.0%	18.5%	41.9%
Sugar, Ethanol & Energy ⁽¹⁾⁽²⁾	31.2%	34.8%	37.5%	38.3%	65.7%	50.1%	(23.8%)	47.1%	46.8%	(0.5%)
Total	23.7%	28.9%	31.0%	31.3%	41.2%	37.4%	(9.3%)	31.0%	35.3%	14.0%

(1) Planted Area for 2015/16 season

(2) Total Production for the 2015/16 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.



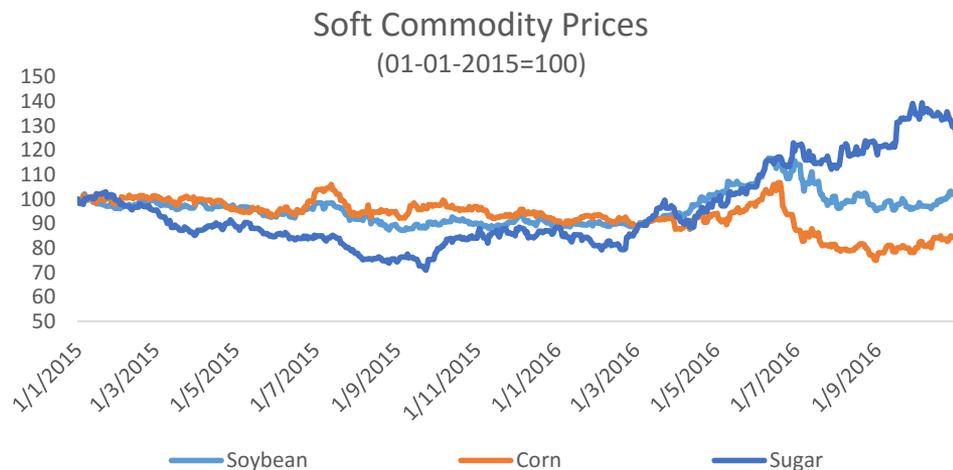
The following table presents our hedging position for the current and for the next harvest season

Commodity Hedge Position			
Farming	Consolidated Hedge Position		
		Avg. FAS Price	CBOT FOB
	Volume ⁽¹⁾	USD/Ton	USD/Bu
2015/2016 Harvest season			
Soybeans	214,878	263.6	1,019.4
Corn	235,673	161.7	400.3
2016/2017 Harvest season			
Soybeans	100,385	214.0	855.6
Corn	96,639	174.6	445.2

Sugar, Ethanol & Energy	Consolidated Hedge Position		
		Avg. FOB Price	ICE FOB
	Volume ⁽¹⁾	USD/Unit	Cents/Lb
2016/2017 Harvest season			
Sugar (tons)	565,252	328.4	14.9
Ethanol (m3)	181,856	437.2	n.a
Energy (MW/h) ⁽²⁾	592,800	59.7	n.a
2017/2018 Harvest season			
Sugar (tons)	223,647	419.5	19.0
Ethanol (m3)	-	0	-
Energy (MW/h) ⁽²⁾	431,655	61.3	n.a

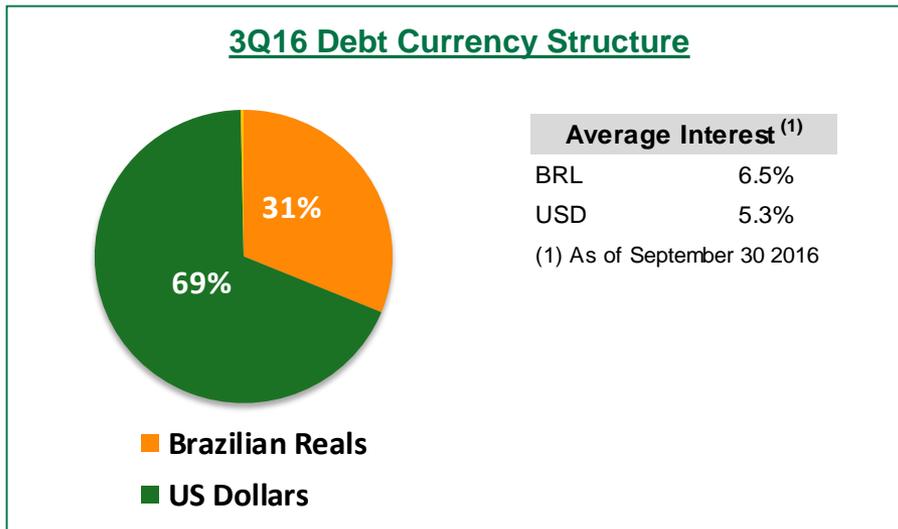
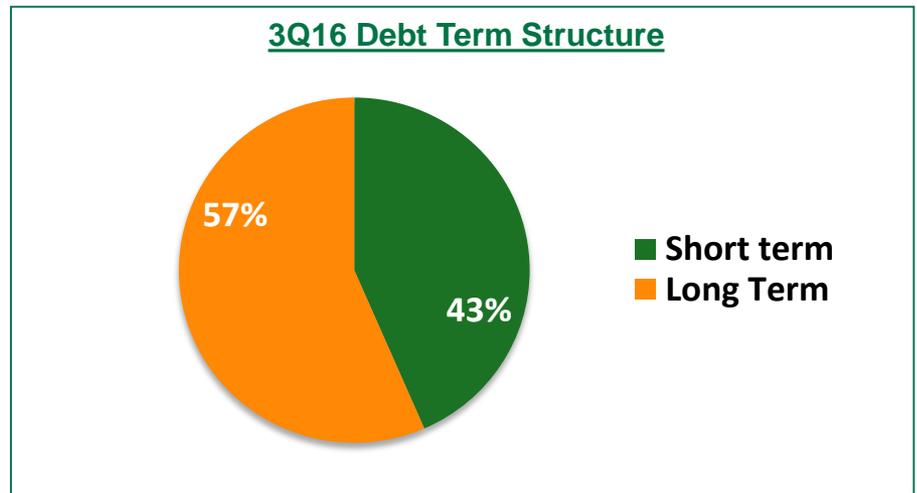
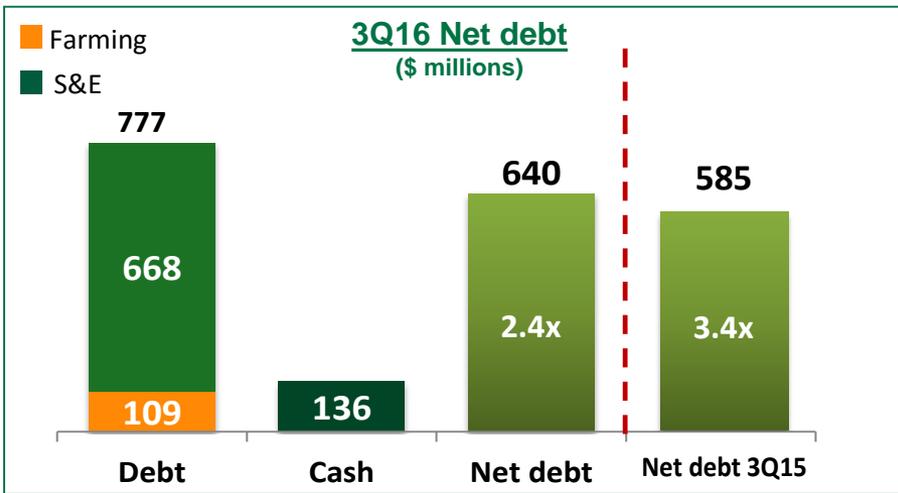
(1) Includes volumes delivered/invoiced, forward contracts and derivatives futures and options).

(2) Energy prices were converted to USD @ an Fx of R/USD 3.45





Net debt stands at \$640 million as of 3Q16



Thank you!



ir.adecoagro.com

Investor Relations

Charlie Boero Hughes - CFO

Email: chboero@adecoagro.com

TEL: +5411 4836 8804

Hernan Walker - IR Manager

Email: hwalker@adecoagro.com

TEL: +5411 4836 8651