



## 4th Quarter 2014 Earnings Webcast

March 20, 2015

**AGRO**  
**LISTED**  
**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.*

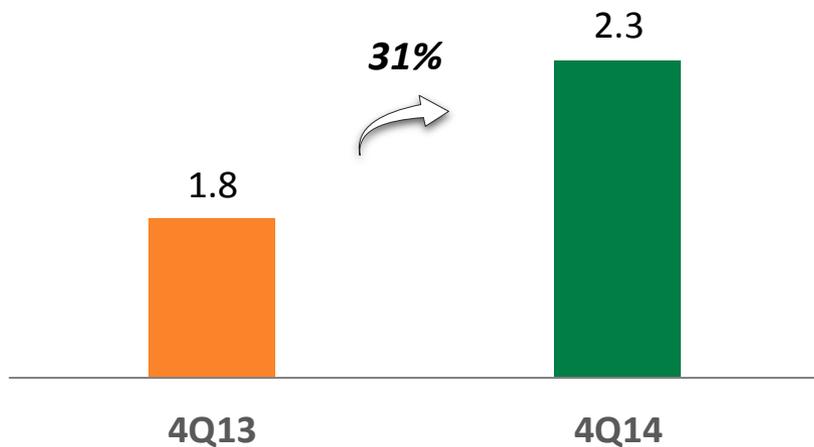
# Sugar, Ethanol & Energy Business



Our mills crushed a total of 7.2 million tons of sugarcane in 2014, 31% over 2013

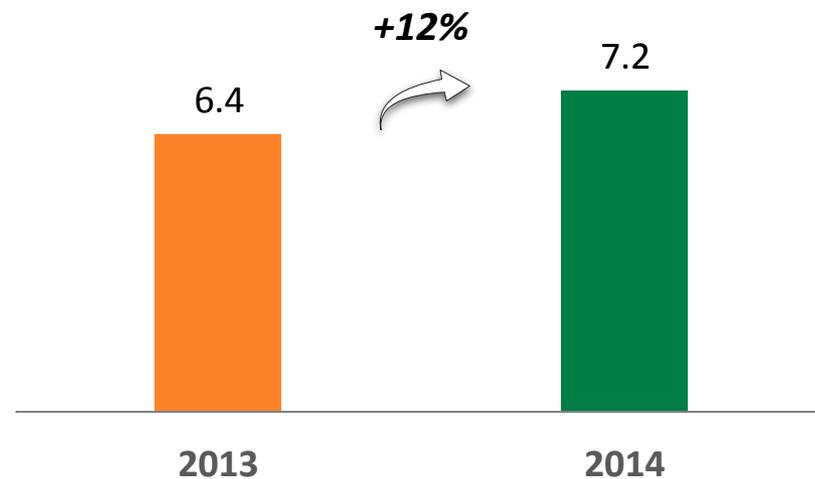
Sugarcane crushing 4Q14

(millions)



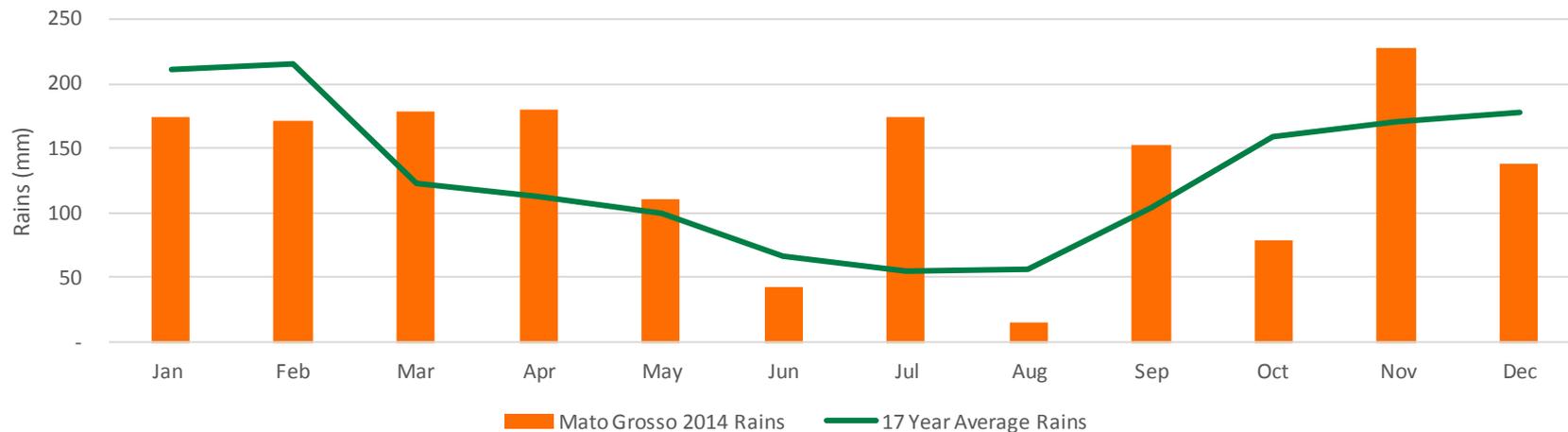
Sugarcane crushing 2014

(millions)



Enhanced harvest and milling efficiencies at our mills allowed us to increase daily milling by 8.7%

**Mato Grosso do Sul Rainfall 2014 <sup>(1)</sup>**



(1) Data has been obtained from Ivinhema, Mato Grosso do Sul.

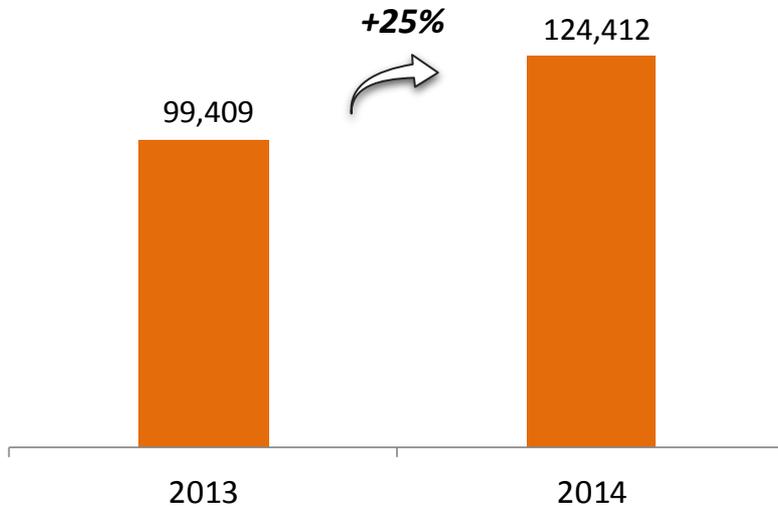
Operational Metrics	2014	2013	Chg%	4Q14	4Q13	Chg%
Total Days <sup>(1)</sup>	255	252	0.9%	79	76	4.7%
<b>Effective Milling Days</b>	<b>187</b>	<b>180</b>	<b>3.7%</b>	<b>60</b>	<b>53</b>	<b>14.0%</b>
Total Crushing (thousand tons)	7,233	6,418	12.7%	2,296	1,755	30.8%
<b>Milling per Day (thousand tons)</b>	<b>38.7</b>	<b>35.58</b>	<b>8.7%</b>	<b>37.96</b>	<b>33.08</b>	<b>14.8%</b>

(1) Total Days vary as a result of different starting days at each of our mills

Sugarcane planting is a key strategy to supply our mills with quality raw material at low cost

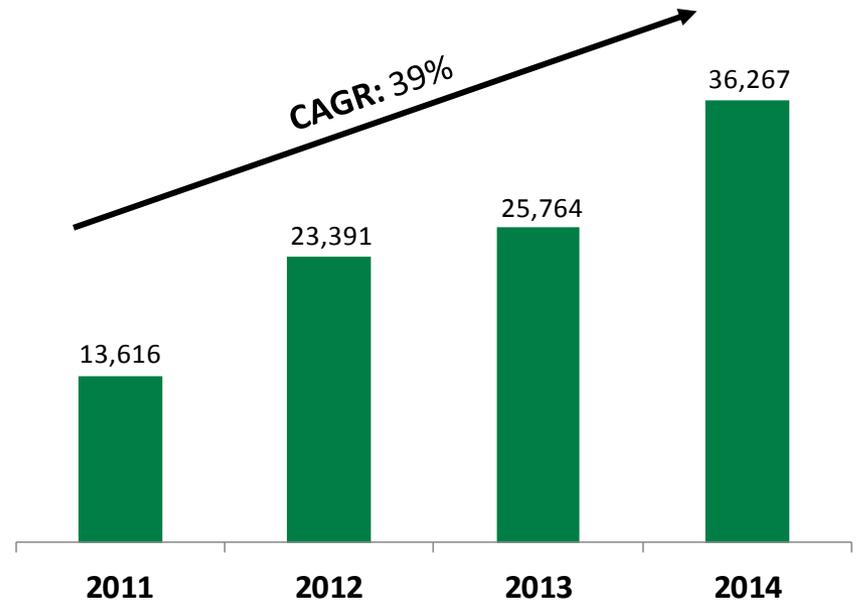
Sugarcane Plantation Size

(hectares)



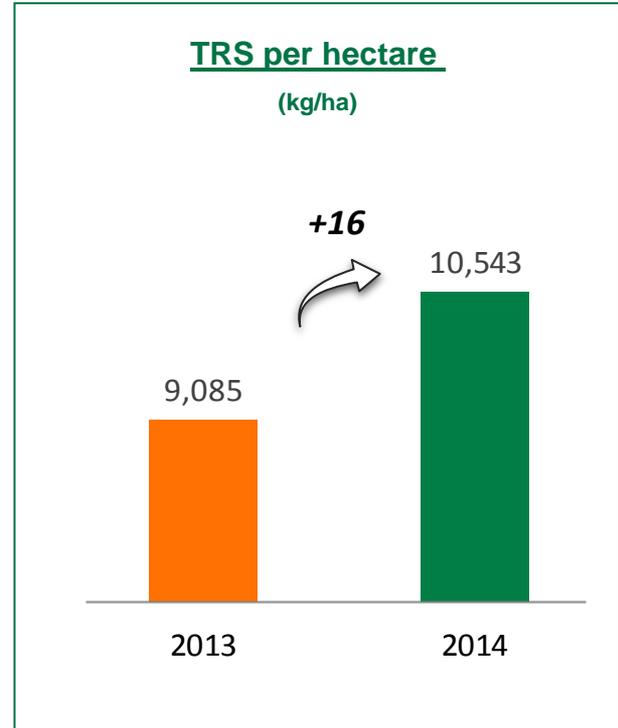
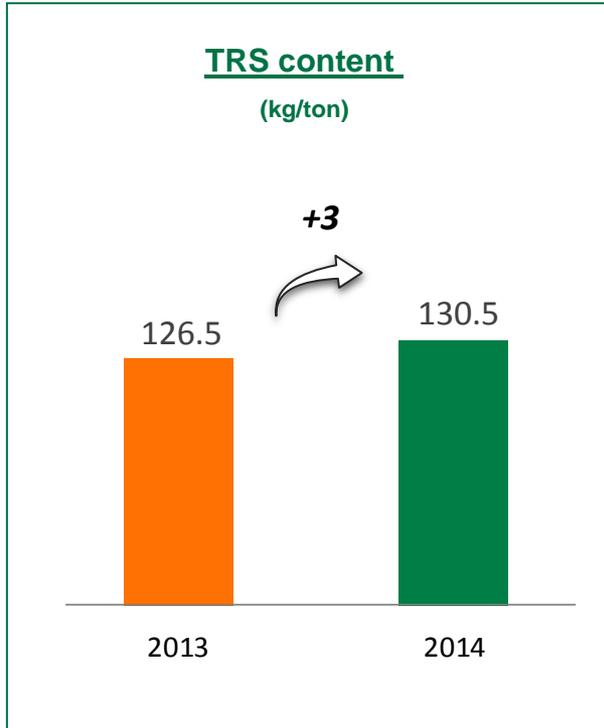
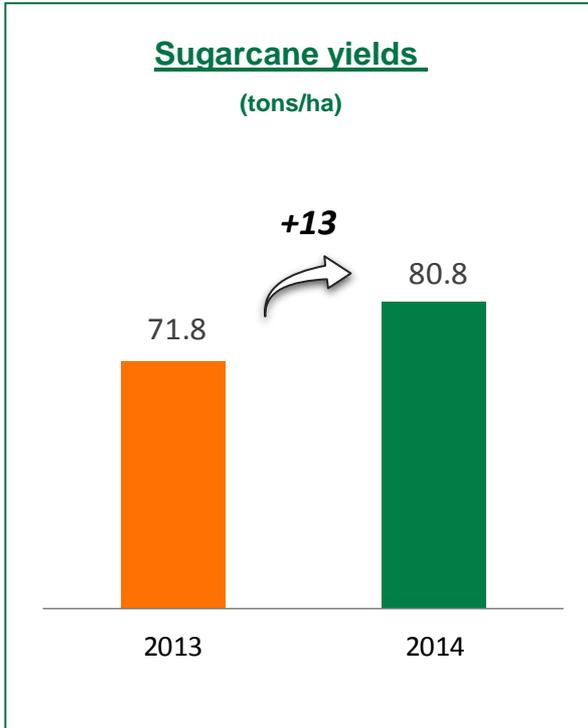
Sugarcane Planting

(hectares)

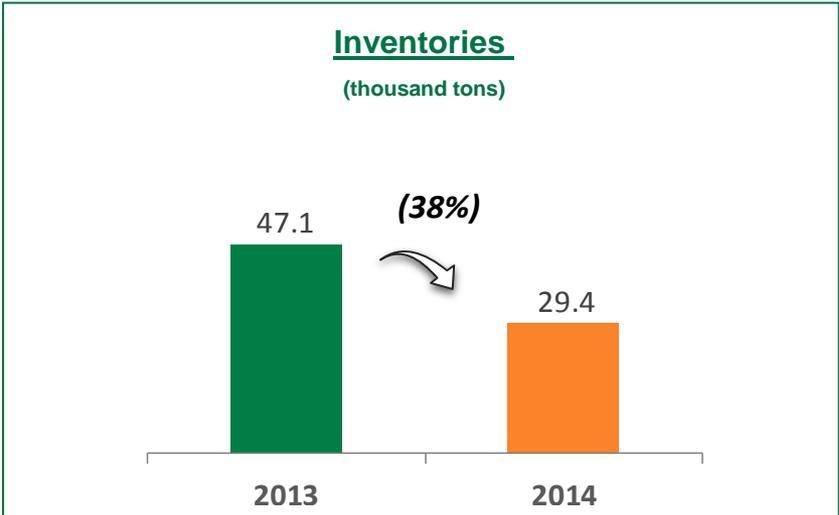
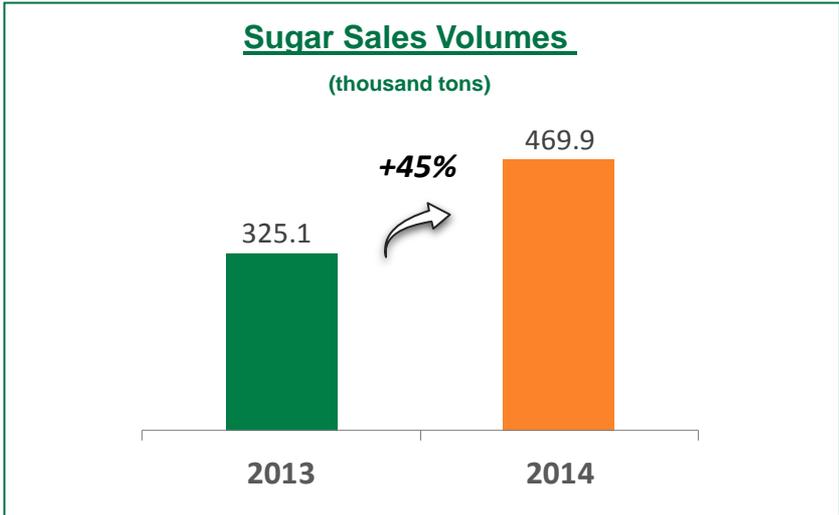
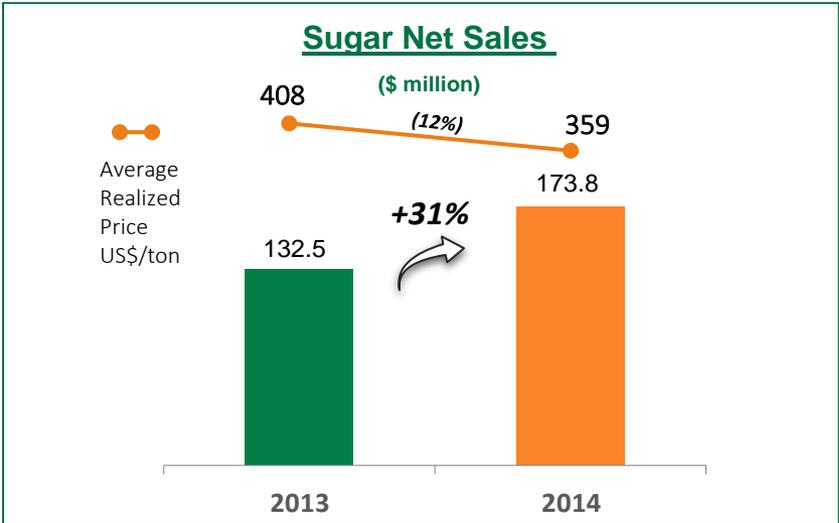
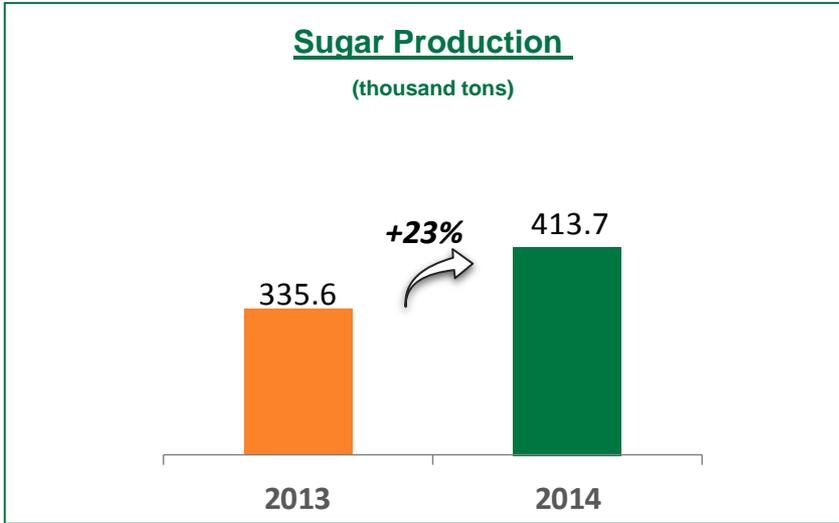




Enhanced sugarcane management resulted in higher agricultural productivity indicators



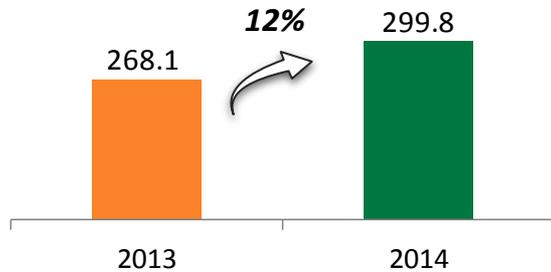
Despite the fall in sugar prices, sugar net sales grew 31%, driven by a 45% increase in volumes sold



We have implemented an ethanol carry strategy, which should allow us to capture higher prices in the off-season

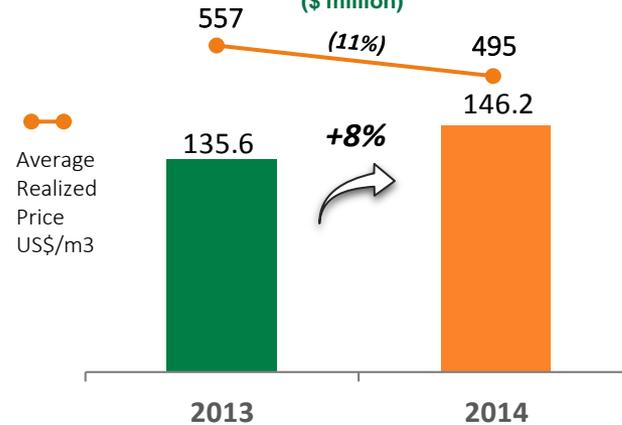
**Ethanol Production**

(thousand m3)



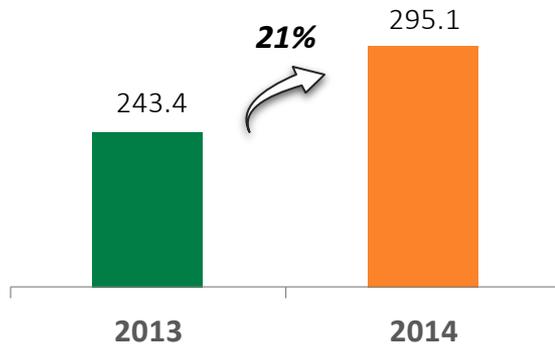
**Ethanol Net Sales**

(\$ million)



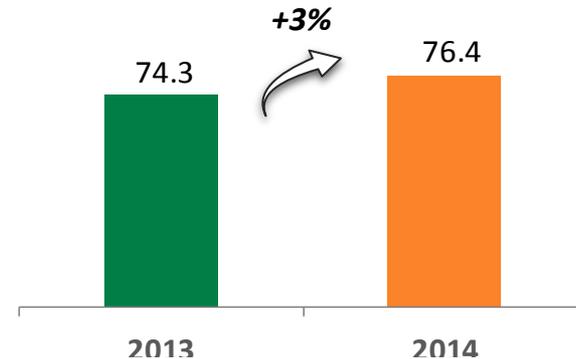
**Ethanol Sales Volumes**

(thousand m3)

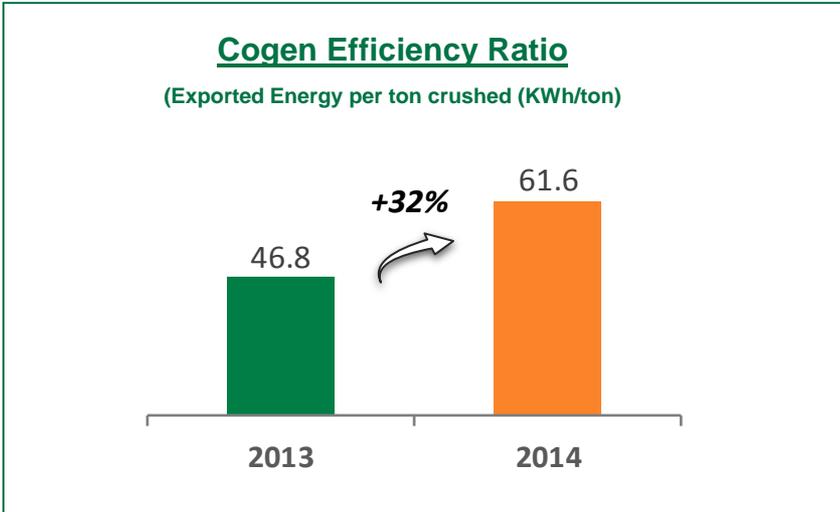


**Inventories**

(thousand m3)



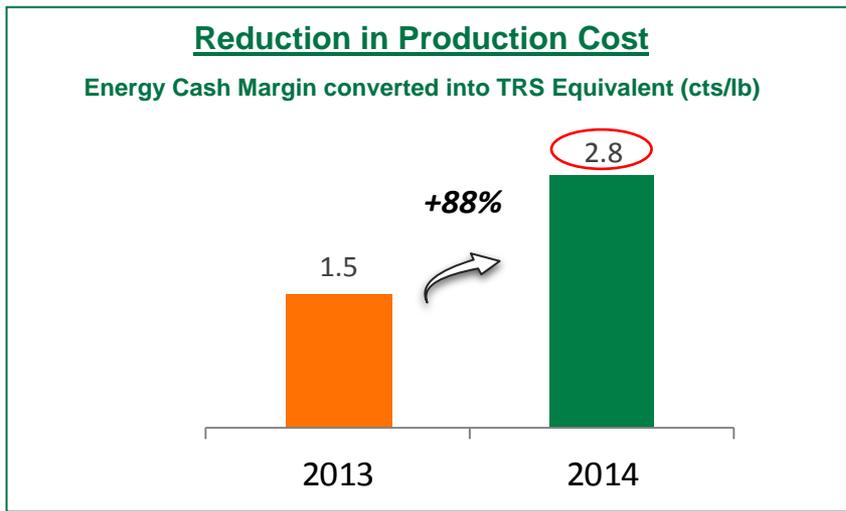
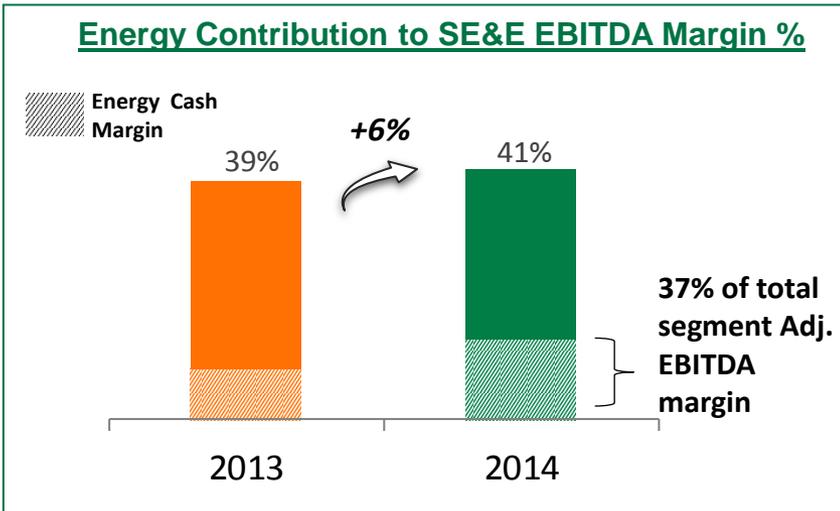
Energy is a key driver of our business and a very important component of our cash generation



### Energy Cash Margins

(\$ million)

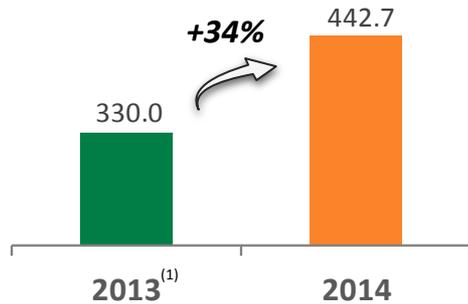
Cogeneration	2014	%
Sales	58,715	100%
Cash Cost	(1,737)	-3%
<b>Cash Margin</b>	<b>56,978</b>	<b>97%</b>



**High cogen productivity coupled with high spot energy prices boosted net sales by 116%**

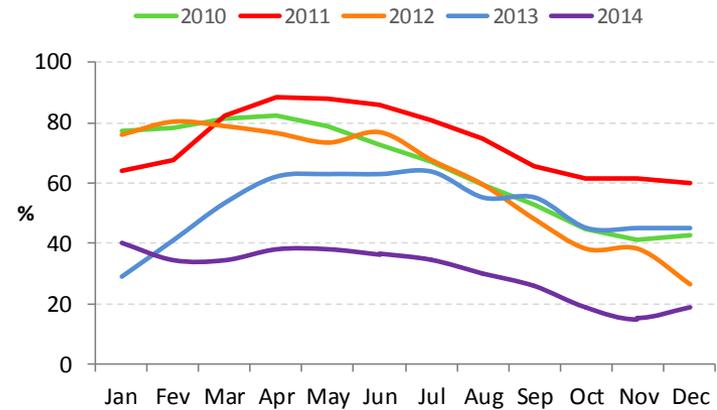
**Cogen Export Volumes**

(thousand MWh)



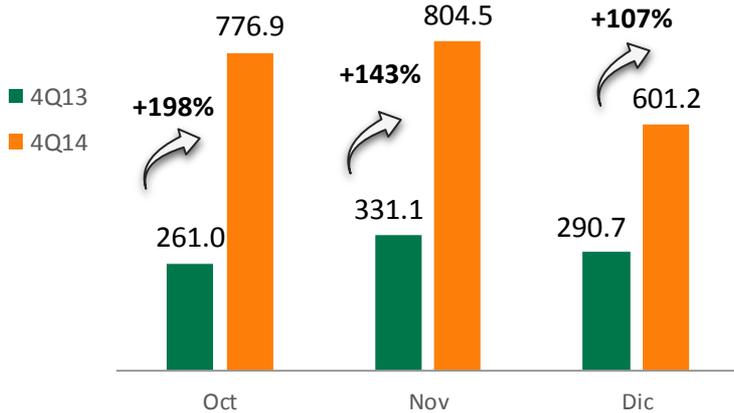
(1) Does not include 24,0 thousand MWh of energy commercialization IN 2013

**Percentage of Water Stored in SouthEast Reservoirs**



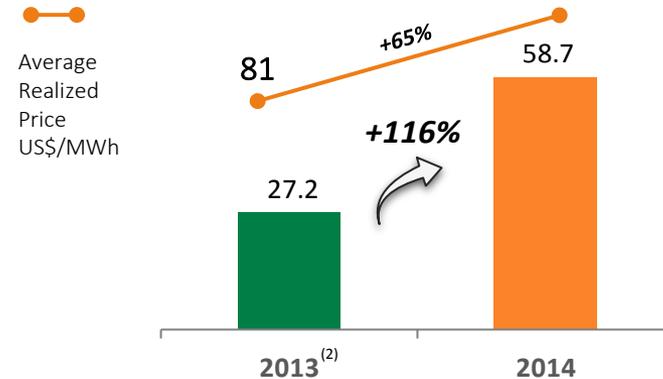
**Brazilian Energy Spot Prices 4Q13 vs 4Q14**

(BRL Reais)



**Total Net Sales**

(\$ million)



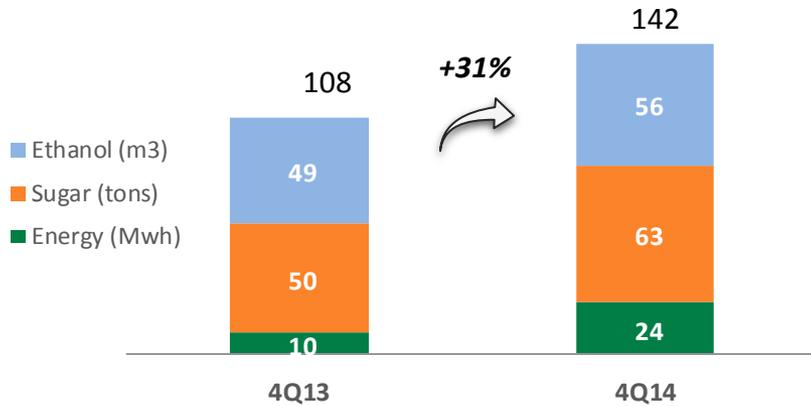
(2) Does not include \$1.3 million from energy commercialization in 2013



Adjusted EBITDA in 4Q14 reached a record high of \$59.4 million, driving Adj. EBITDA in 2014 to \$153.5 million with a 41% Adj. EBITDA margin

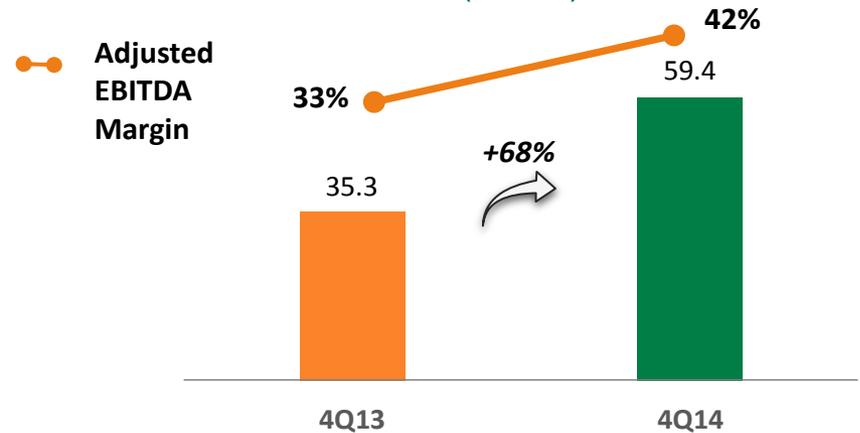
Net Sales 4Q14

(\$ millions)



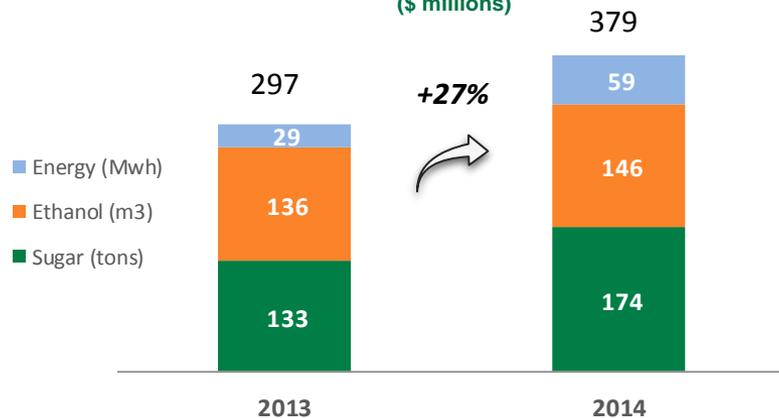
Adjusted EBITDA & EBITDA Margin 4Q14

(\$ millions)



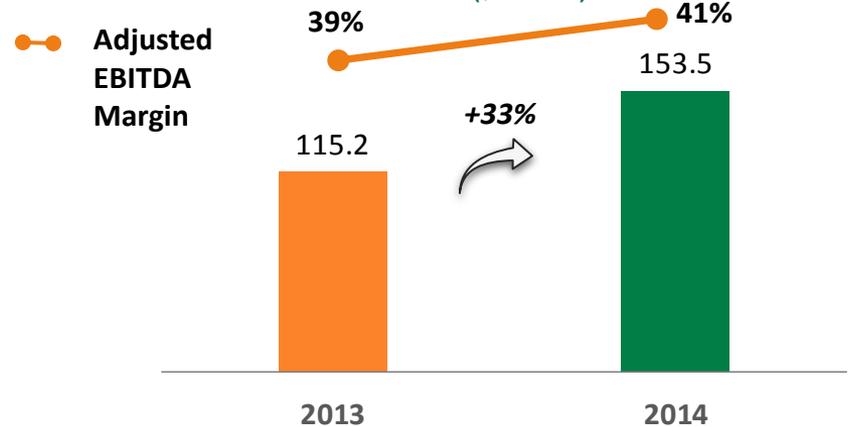
Net Sales 2014

(\$ millions)



Adjusted EBITDA & EBITDA Margin 2014

(\$ millions)



**Construction of Ivinhema mill was essentially completed on schedule and on budget**

**Highlights**

**CONSTRUCTION UPDATE**

- ✓ Ivinhema phase II has been completed on schedule and on budget, expanding milling capacity by 3.0 million tons per year.
- ✓ Consolidated nominal crushing capacity stands at 10.0 million tons
- ✓ Ivinhema began milling on March 16, 2015, with a capacity of 20,000 per day and will reach 25,000 per day in mid April
  
- ✓ Ivinhema annual production:
  - ✓ 300,000 tons of sugar
  - ✓ 240,000 m<sup>3</sup> of ethanol
  - ✓ 360,000 MWh of energy exports.

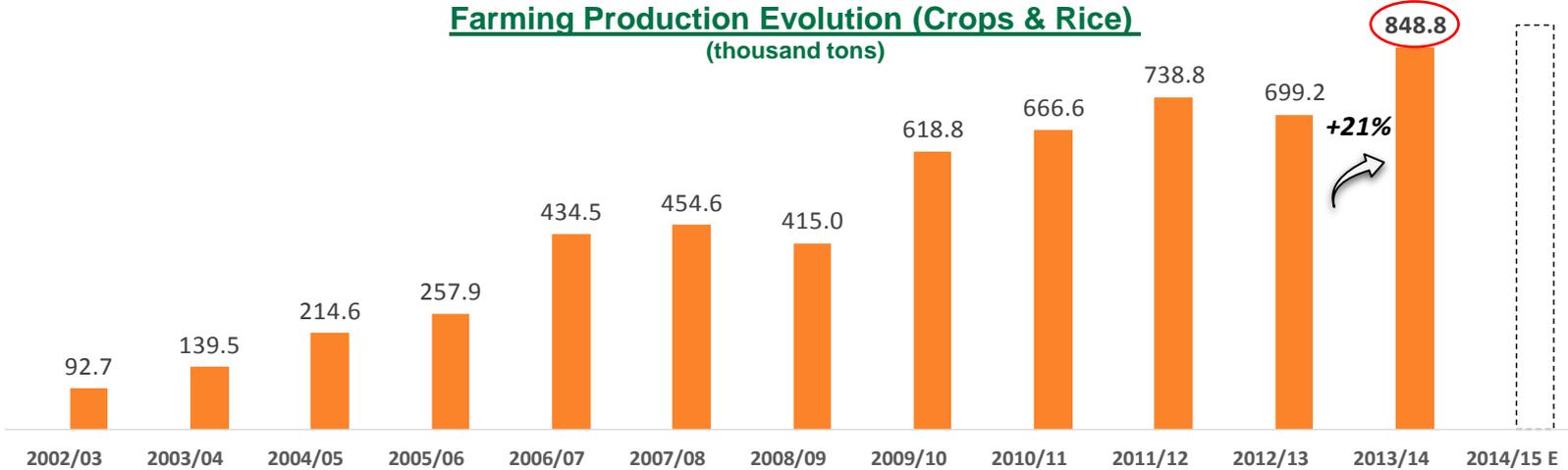


A large stream of golden corn kernels is pouring from a red metal chute. The kernels are in motion, creating a blurred trail as they fall against a clear blue sky. The chute is on the left side of the frame, and the kernels are falling towards the bottom right.

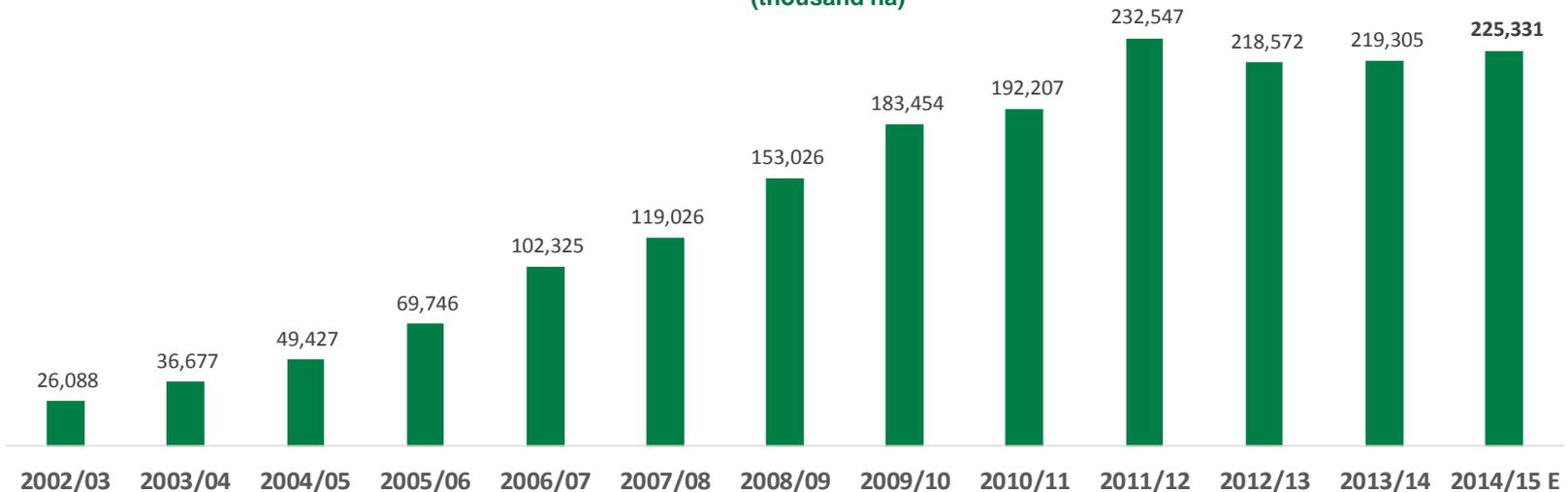
# Farming Business

Higher yields in 2013/14 resulted in a 21% growth in production. 2014/15 planted area has grown by 3%

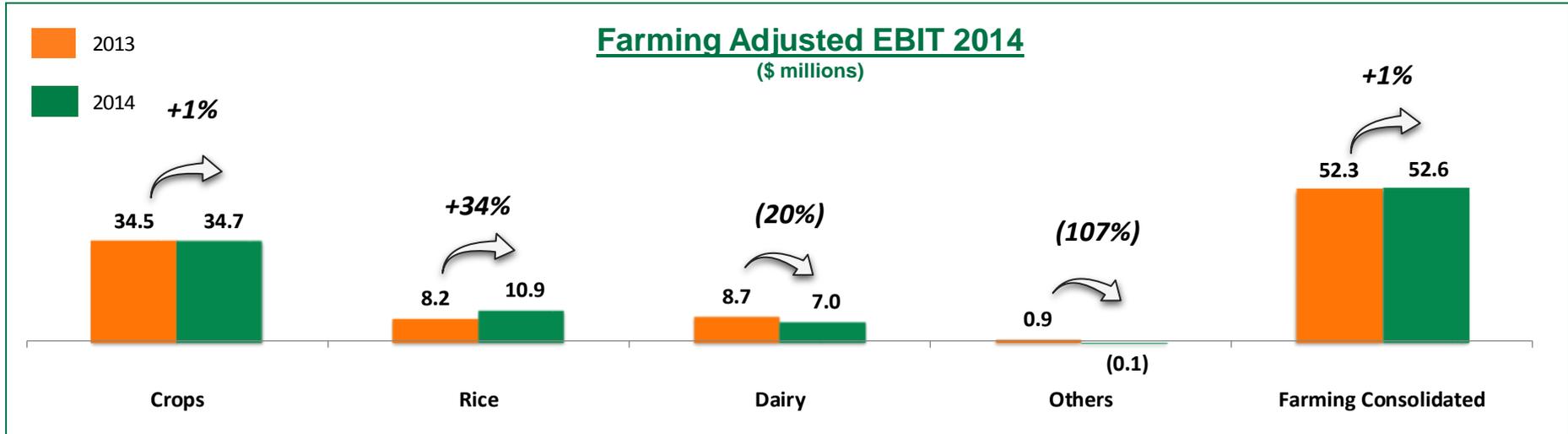
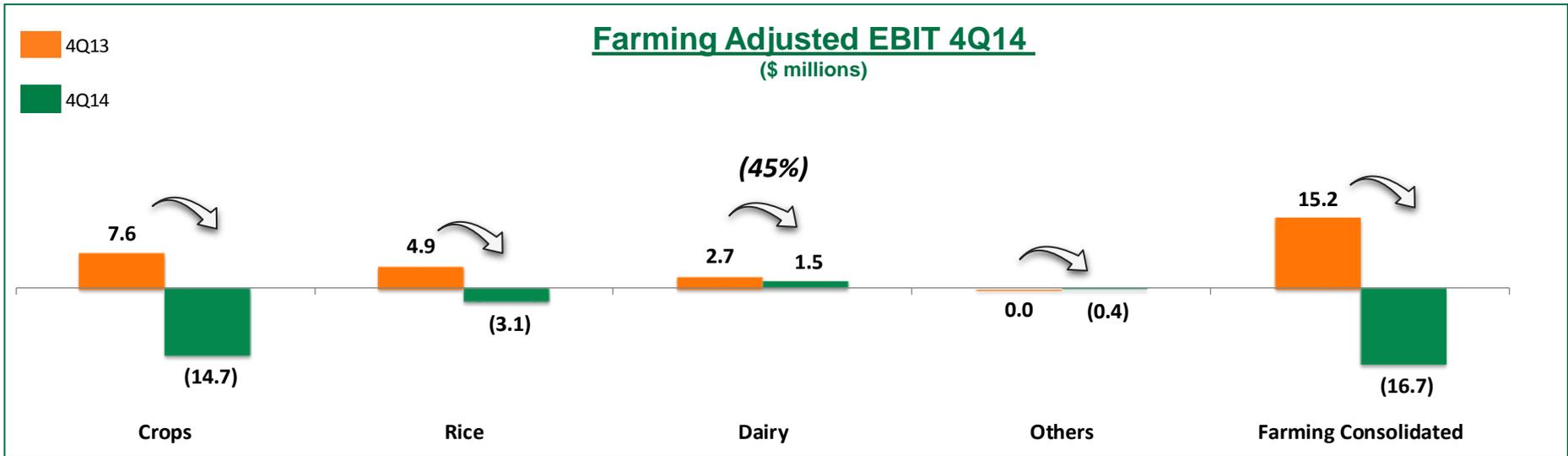
**Farming Production Evolution (Crops & Rice)**  
(thousand tons)



**Farming Planted Area Evolution (Crops & Rice)**  
(thousand ha)



Adjusted EBIT in 2014 was in line with 2013 driven by higher yields and lower production costs



Soy and corn positions generated a \$16.6 million gain in 3Q14. However, during 4Q14 the rebound in commodity prices generated a \$11.0 million loss, resulting in a \$0.4 million gain in 2014

**Soybean Futures Contract May 2015**



**Soybean Hedge:**

- 192,000 tons (approximately 90% of production )
- Price: \$1,171 cents/bushel

**Corn Futures Contract July 2015**

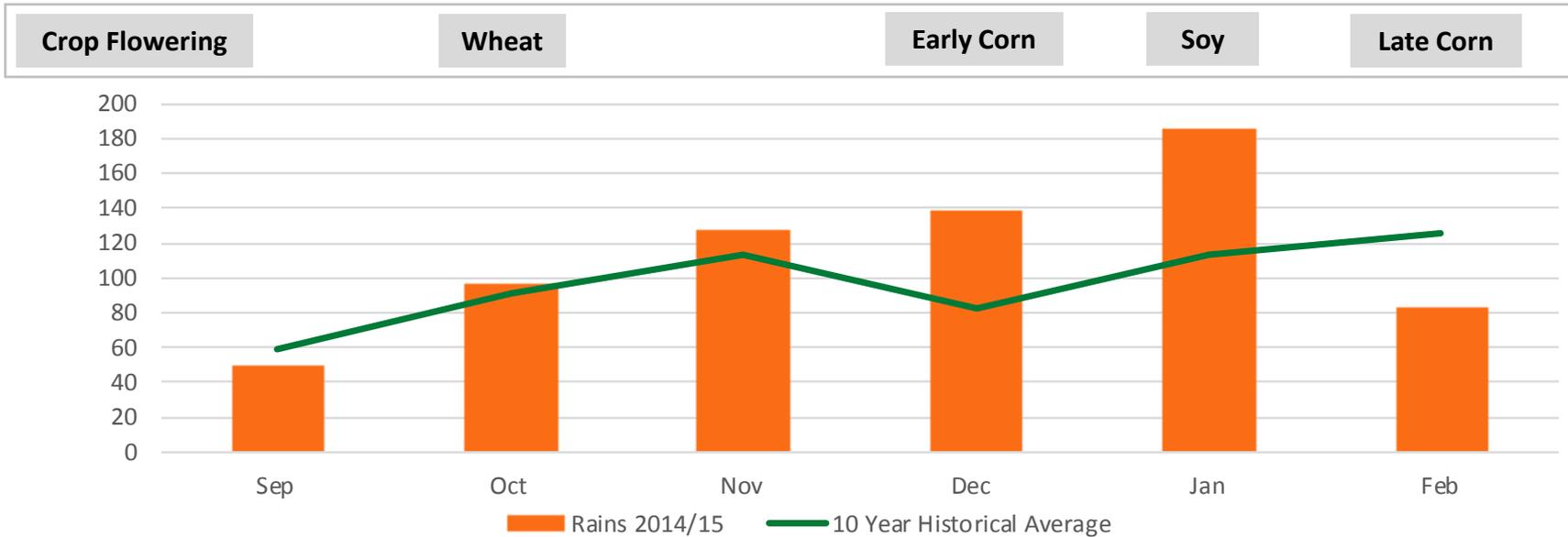


**Corn Hedge:**

- 198,000 tons (approximately 85% of production)
- Price: \$573 cents/bushel

Good humidity conditions during crop flowering have enhanced crop growth and development

2013/14 vs 2014/15 vs 20 year Historical Average Monthly Rainfall  
Evolution in Argentina’s Humid Pampas (1)



(1) Data has been obtained from our Carmen farm in Venado Tuerto, Santa Fe.



# Financial Performance





Financial Performance will continue increasing year by year as we improve efficiencies in each one of our businesses and become the lowest cost producers

Area & Production	2010	2011	2012	2013	2014	Chg%
Farming Planted Area (ha) <sup>(1)</sup>	183,454	192,207	232,547	219,305	225,331	2.7%
Sugarcane Planted Area (hect.)	53,799	65,308	85,663	99,409	124,412	25.2%
Farming Production (tons) <sup>(2)</sup>	618,834	666,589	738,847	699,179	848,843	21.4%
Sugarcane Crushing (tons)	4,066,115	4,168,082	4,488,935	6,417,951	7,232,827	12.7%

Net Sales	2010	2011	2012	2013	2014	Chg%
Farming & Land Transformation	197,741	270,766	322,368	327,163	315,837	(3.5%)
Sugar, Ethanol & Energy	204,256	258,939	271,447	297,265	378,633	27.4%
<b>Total</b>	<b>401,997</b>	<b>529,705</b>	<b>593,815</b>	<b>624,428</b>	<b>694,470</b>	11.2%

Adjusted EBITDA	2010	2011	2012	2013	2014	Chg%
Farming & Land Transformation	65,735	67,444	68,647	88,942	85,234	(4.2%)
Sugar, Ethanol & Energy	51,735	109,507	97,505	115,239	153,503	33.2%
Corporate	(22,353)	(26,885)	(25,442)	(23,478)	(23,233)	(1.0%)
<b>Total</b>	<b>95,117</b>	<b>150,066</b>	<b>140,710</b>	<b>180,704</b>	<b>215,504</b>	19.3%

Adjusted EBITDA Margin	2010	2011	2012	2013	2014	Chg%
Farming & Land Transformation <sup>(3)</sup>	27.6%	19.9%	17.3%	23.6%	23.3%	(1.2%)
Sugar, Ethanol & Energy <sup>(3)(4)</sup>	19.9%	37.1%	31.2%	34.8%	37.5%	7.6%
<b>Total</b>	<b>23.7%</b>	<b>28.3%</b>	<b>23.7%</b>	<b>28.9%</b>	<b>31.0%</b>	7.2%

(1) Planted Area in 2014 is for the 2014/15 season

(2) Total Production for 2014 is for the 2013/14 season

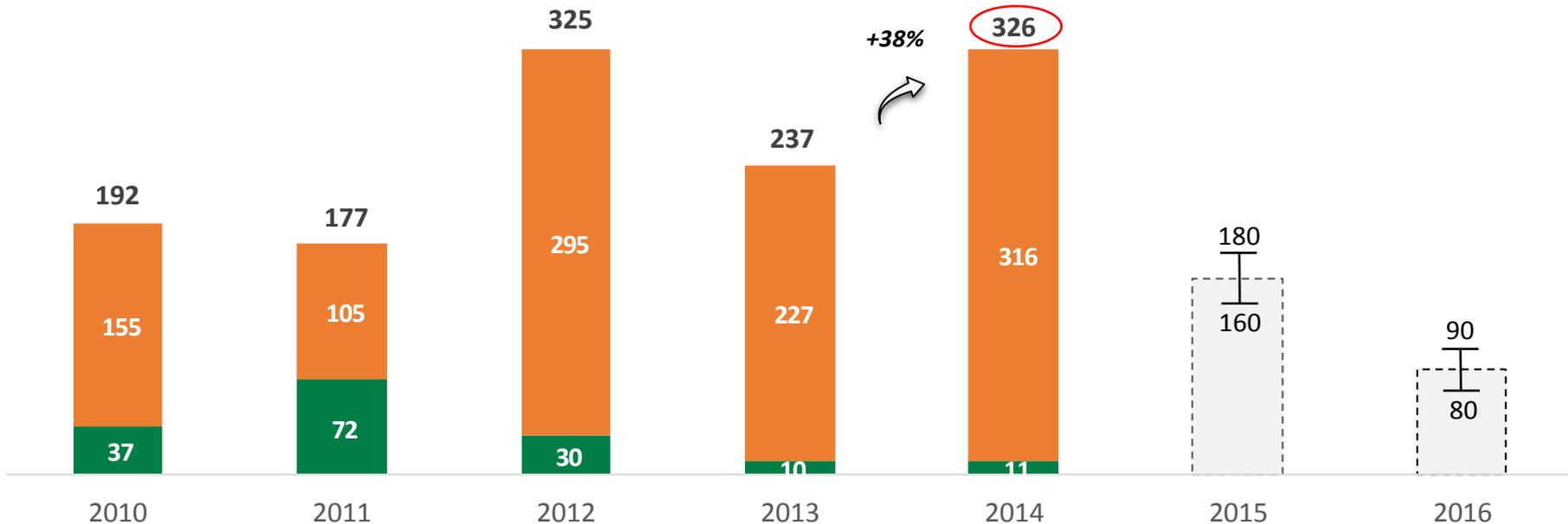
(3) Corporate expenses allocated 50% to Farming & Land Transformation and 50% to Sugar, Ethanol & Energy

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

Consolidated capex spending is expected to slow down in 2015 as we complete the Ivinhema mill in Mato Grosso do Sul

2010-2016 CAPEX Evolution

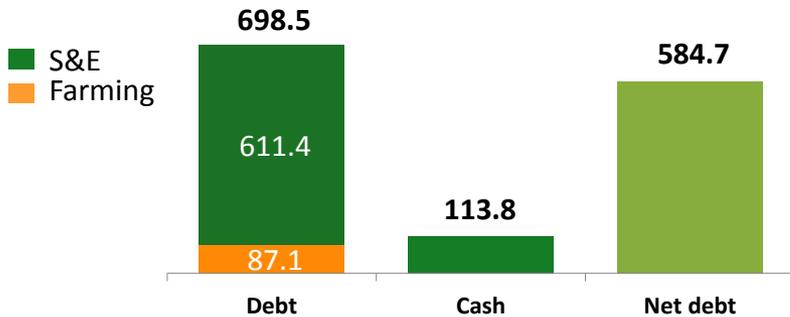
- Sugar, Ethanol & Energy
- Farming & Land Transformation



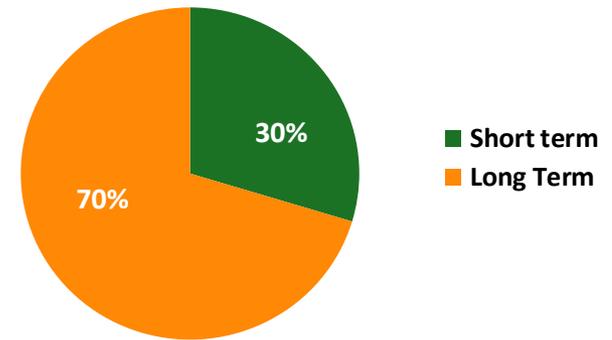


# Net debt stands at \$585 million as of December 31, 2014

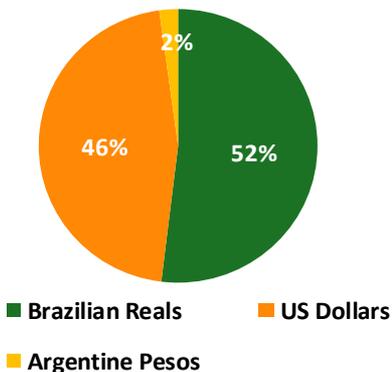
**4Q14 Net debt**  
(\$ millions)



**4Q14 Debt Term Structure**



**4Q14 Debt Currency Structure**



Average Interest Rate <sup>(1)</sup>	
USD	5.0%
BRL	6.4%
ARS	15.3%

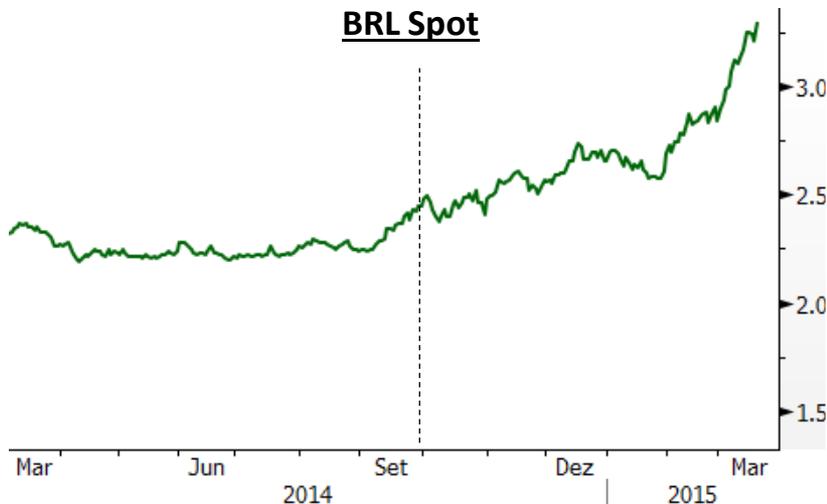
(1) As of December 31, 2014

- Total debt as of December 31, 2014, was of \$698.5 million.
- 70% of our debt is in the long term, composed mainly of loans from multilateral banks (BNDES and IDB)
- Net debt as of December 31, 2014 was of \$584.7 million



Currency devaluation have a positive impact on our cash position

BRL Spot



Sugar, Ethanol & Energy in Brazil

Costs: 100% BRL

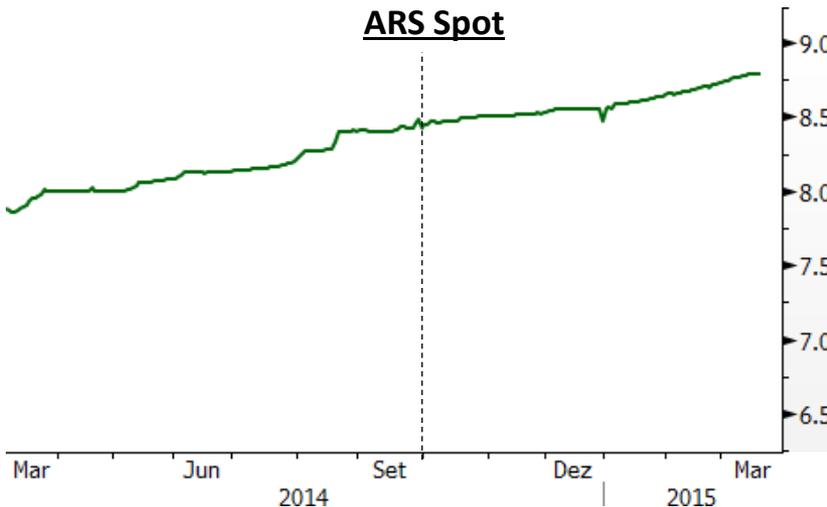
Revenues:

- Sugar: USD (80% production hedged; no FX hedge)
- Ethanol & Energy: BRL

Impact on EBITDA: Neutral

Impact on Cash Flow: Positive

ARS Spot



Farming in Argentina

• Costs: 50% USD / 50% ARS

• Revenues: 85% USD / 15% ARS

Impact on EBITDA: Highly Positive

Impact on Cash Flow: Highly Positive

# Thank you!



[ir.adecoagro.com](http://ir.adecoagro.com)

## **Investor Relations**

Charlie Boero Hughes - CFO

Email: [chboero@adecoagro.com](mailto:chboero@adecoagro.com)

TEL: +5411 4836 8804

Hernan Walker - IR Manager

Email: [hwalker@adecoagro.com](mailto:hwalker@adecoagro.com)

TEL: +5411 4836 8651