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# Earnings Release

## 1Q18

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*brasilagro* 

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# Earnings Release

For the quarter ended September 30, 2017

São Paulo, November 06, 2017 – **BrasilAgro (B3: AGRO3) (NYSE: LND)**, the Brazilian leader in acquiring, developing and selling rural properties that offer high potential for price appreciation in Brazil, announces its consolidated results for the year and the quarter ended September 30, 2017. The consolidated quarterly information is prepared in accordance with International Financial Reporting Standards (IFRS).

## Conference Call 1Q18

November 07, 2017

Portuguese with simultaneous  
English translation

3:00 p.m. (Brasília)

12:00 p.m. (NY)

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# 1Q18

## Highlights

R\$ **98.9**  
**million**  
Net Revenue

R\$ **20.1** million  
Net Income

R\$ **33.7** milhões  
Adjusted EBITDA

Distribution of  
R\$ **12.9** million  
in dividends or  
R\$ **0.24** per share

Estimated production of  
**1.8** million  
**of tons**  
of grains and sugarcane

Estimated planted área of  
**100,900** hectares  
Crop 17/18

Estimated land transformation  
**2,000** hectares  
In Paraguay

### PRICE

AGRO3: R\$ 12.66  
LND: US\$ 3.94



**LND**  
**LISTED**  
**NYSE**

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Investor Relations

## MESSAGE FROM MANAGEMENT

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We closed the first quarter of the 2017/2018 harvest-year (“1Q18”) with a Net Profit of R\$20.1 million, an Adjusted EBITDA of R\$33.7 million and Net Revenue of R\$98.9 million. This reflects the commercialization of 900,800 tons of agricultural products (soybean, corn and sugarcane) in the quarter.

The estimated planted area for the 2017/2018 harvest year is 93,100 hectares in Brazil and Paraguay, including soy, corn, sugarcane and pasture, in addition to 7,800 hectares leased to third parties, totaling a planted area of 100,900 hectares. The expected production for this harvest is 1.8 million tons, an increase of 86.3% over the previous harvest. This increase results from the production of sugarcane and grains of São José Farm, which was purchased in February 2017 and accounts for 23.5% of the planted area.

In the development of the properties, we expect transform approximately 2,000 hectares in Paraguay. Since the start of operations in 2006, we have transformed over 123,400 hectares, representing an average growth of 32% in portfolio transformation.

On October 2, the Shareholders’ Meeting approved the distribution of dividends in the amount of R\$0.24 per share and elected the members of the Board of Directors and of the Fiscal Council. Ensuring the good practices of Corporate Governance, 44.4% of the members of the Board of Directors are independent and the Fiscal Council has a financial expert member, complying with the requirements of the Sarbanes-Oxley law and SEC (United States Securities and Exchange Commission).

We began the fiscal year with positive estimates for the 2017/2018 crop, committed to deliver results and find opportunities of value generation for the Company’s continued growth.

# OPERATING PERFORMANCE

**Definitions:** 1Q17 and 1Q18 – quarter ended September 30, 2016 and 2017, respectively  
 | 2016/2017 Harvest Year - fiscal year started on July 01, 2016 and ended on June 30, 2017  
 | 2017/2018 Harvest Year - fiscal year started on July 01, 2017 and ended on June 30, 2018.

## Operating Performance

On the date of this release, the Company's property portfolio consisted of 225,877 hectares across six Brazilian states and Paraguay, as shown in the table below:

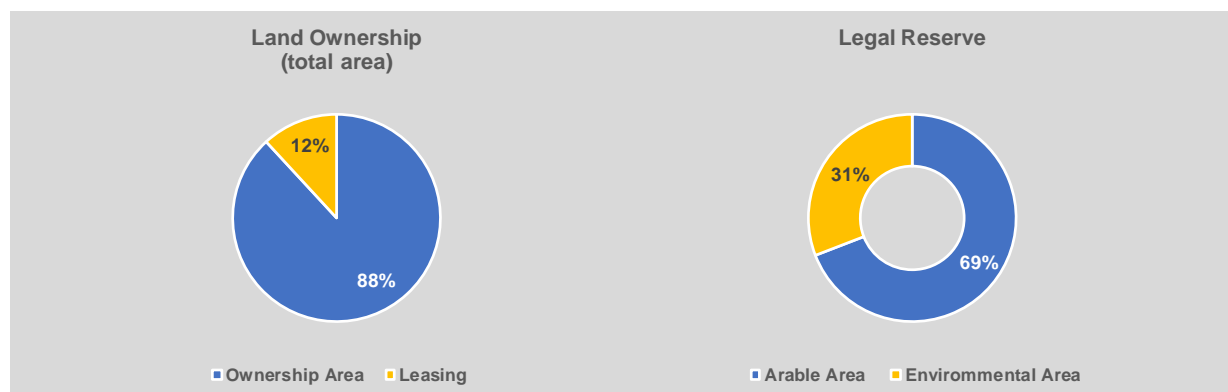
| FARMS                                  | LOCATION                          | AQUISITION DATE | PROJECT              | TOTAL AREA (ha) | ARABLE AREA (ha) |
|--|-----------------------------------|-----------------|----------------------|-----------------|------------------|
| 1 Jatobá Farm                          | Jaborandi / BA                    | Mar-07          | Grains and Pasture   | 30,981          | 24,226           |
| 2 Alto Taquari Farm                    | Alto Taquari / MT                 | aug/07          | Sugarcane            | 5,394           | 3,774            |
| 3 Araucária Farm                       | Mineiros / GO                     | apr/07          | Sugarcane            | 6,490           | 4,784            |
| 4 Chaparral Farm                       | Correntina / BA                   | Nov-07          | Grains               | 37,182          | 26,444           |
| 5 Nova Buriti Farm                     | Bonito de Minas / MG              | dec/07          | Forest               | 24,212          | 17,846           |
| 6 Preferência arm                      | Baianópolis / BA                  | sep/08          | Grains and Pasture   | 17,799          | 12,410           |
| 7 Partnership II <sup>(1)</sup>        | Ribeiro Gonçalves / PI            | Nov-13          | Grains               | 7,500           | 7,500            |
| 8 Partnership III <sup>(2)</sup>       | Alto Taquari / MT                 | may/15          | Sugarcane            | 4,263           | 4,263            |
| 9 Partnership IV <sup>(3)</sup>        | São Raimundo das Mangabeiras / MA | feb/17          | Sugarcane            | 15,000          | 15,000           |
| 10 São José Farm                       | São Raimundo das Mangabeiras / MA | feb/17          | Grains and Sugarcane | 17,566          | 10,137           |
| 11 Palmeiras <sup>(4)</sup> (Paraguay) | Boquerón                          | dec/13          | Grains and Pasture   | 59,490          | 29,745           |
| <b>Total</b>                           |                                   |                 |                      | <b>225,877</b>  | <b>156,129</b>   |

1- BrasilAgro entered into an agricultural exploration partnership in the Parceria II Farm for up to 11 harvests, involving up to 10,000 hectares.

2- BrasilAgro entered into an agricultural exploration partnership in the Parceria III Farm potentially up to March 31, 2026.

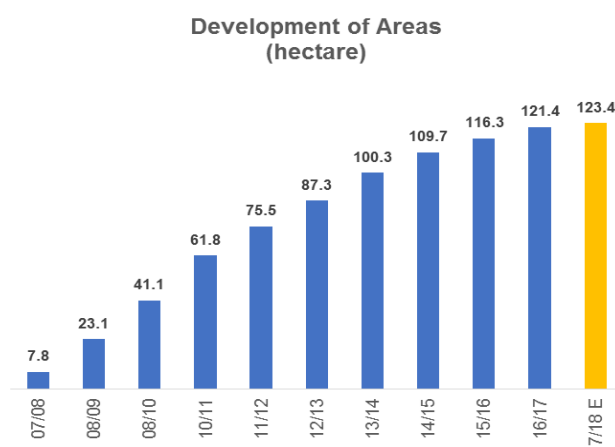
3 - BrasilAgro entered into an agricultural exploration partnership in the Parceria IV Farm for 15 years of planting of sugarcane, with option of renewal for another 15 years.

4- New social denomination of the operation in Paraguay.



## Development of Areas

During the 2017/18 harvest year, we expect to transform approximately 1,965 hectares of land, all of which are located in Paraguay, representing an **average growth** of 32%, in the portfolio transformation, which is the main valuation vector of our properties.



## Market Value of the Portfolio

On June 30, 2017, we hired the independent consulting firm Deloitte Touche Tohmatsu to conduct a market valuation of our properties. According to their appraisal, as of June 30, 2017, the market value of the portfolio was **R\$1.4 billion**.

We internally appraise, on an annual basis, the market value of our farms. And on June 30, 2017, date of the appraisal, the market value of our portfolio was R\$1.3 billion, an increase of 24.6% in relation to the previous year.

In order to estimate the market value of our farms, we considered for each property: (i) its level of development; (ii) soil quality and maturity; and (iii) agricultural aptitude and potential.

The table below shows the portfolio's internal market valuation as of June 30, 2016 and 2017 and the independent market valuation performed by independent consulting firm Deloitte Touche Tohmatsu on June 30, 2017.

| FARM         | LOCATION             | Internally Appraise (R\$ thousand) |                  |               | Independent Valuation (R\$ thousand) |                  |
|--------------|----------------------|------------------------------------|------------------|---------------|--------------------------------------|------------------|
|              |                      | 6/30/2016                          | Period Sales     | 6/30/2017     | 6/30/2017                            |                  |
| 1            | Jatobá Farm          | Jaborandi / BA                     | 303,455          | 10,100        | 321,802                              | 360,758          |
| 2            | Alto Taquari Farm    | Alto Taquari / MT                  | 120,607          |               | 150,940                              | 119,706          |
| 3            | Araucária Farm       | Mineiros / GO                      | 150,881          | 30,200        | 166,352                              | 172,327          |
| 4            | Chaparral Farm       | Correntina / BA                    | 262,747          |               | 291,751                              | 352,391          |
| 5            | Nova Burity Farm     | Bonito de Minas / MG               | 31,967           |               | 30,282                               | 23,407           |
| 6            | Preferência Farm     | Baianópolis / BA                   | 56,564           |               | 54,680                               | 64,392           |
| 7            | São José Farm        | São Raimundo das Mangabeiras / MA  | 0                |               | 148,255                              | 156,981          |
| 8            | Palmeiras (Paraguay) | Boquerón                           | 154,849          |               | 143,074                              | 143,039          |
| <b>Total</b> |                      |                                    | <b>1,081,070</b> | <b>40,300</b> | <b>1,307,136</b>                     | <b>1,393,001</b> |

## Agricultural Operations

The table below shows the breakdown of area to be planted by farm in the harvest 17/18:

| Planted Area - Crop 17/18             | Ratoon Cane   | Cane Plant   | Soybean       | Corn         | Corn - 2nd Crop | Pasture       | Other         | Total          |
|---------------------------------------|---------------|--------------|---------------|--------------|-----------------|---------------|---------------|----------------|
| Jatobá Farm                           |               |              | 5.573         | 1.895        |                 | 4.508         | 8.905         | 20.881         |
| Alto Taquari Farm                     | 3.105         | 3.784        |               |              |                 |               |               | 6.889          |
| Araucária Farm                        | 3.085         | 504          |               |              |                 |               |               | 3.589          |
| Chaparral Farm                        |               |              | 9.597         | 798          |                 |               | 5.553         | 15.948         |
| Preferência Farm                      |               |              |               |              |                 | 6.700         | 134           | 6.834          |
| Partnership II Farm                   |               |              | 7.500         |              |                 |               |               | 7.500          |
| Partnership III Farm                  | 3.095         | 992          |               |              |                 |               |               | 4.087          |
| São José Farm and Partnership IV Farm | 15.847        | 3.539        | 5.275         |              | 386             |               |               | 25.047         |
| Palmeiras                             |               |              | 5.601         | 1.095        |                 | 2.821         | 568           | 10.085         |
| <b>Total</b>                          | <b>25.132</b> | <b>8.819</b> | <b>33.546</b> | <b>3.788</b> | <b>386</b>      | <b>14.029</b> | <b>15.160</b> | <b>100.860</b> |

| Planted area by crop (ha) | Crop 16/17    | Crop 17/18    | Harvest Participation 17/18 (%) | Change (%)  |
|---------------------------|---------------|---------------|---------------------------------|-------------|
| Grains                    | 30.139        | 37.720        | 41,0%                           | 25,2%       |
| Soybean                   | 22.549        | 33.546        | 36,4%                           | 48,8%       |
| Corn                      | 7.590         | 4.174         | 4,5%                            | -45,0%      |
| Sugarcane                 | 29.698        | 25.132        | 27,3%                           | -15,4%      |
| Pasture                   | 16.425        | 14.029        | 15,2%                           | -14,6%      |
| Others                    | 12.611        | 15.160        | 16,5%                           | 20,2%       |
| <b>Total</b>              | <b>88.873</b> | <b>92.041</b> | <b>100,0%</b>                   | <b>3,6%</b> |

| Area Planted by Land Ownership (ha) | Crop 16/17    | Crop 17/18     | Harvest Participation 17/18 (%) | Change (%)   |
|-------------------------------------|---------------|----------------|---------------------------------|--------------|
| Own Area                            | 59.678        | 64.226         | 63,7%                           | 7,6%         |
| Operated by BrasilAgro              | 52.027        | 56.466         | 56,0%                           | 8,5%         |
| Leased to third parties             | 7.651         | 7.760          | 7,7%                            | 1,4%         |
| Leased area                         | 29.195        | 36.634         | 36,3%                           | 25,5%        |
| <b>Total</b>                        | <b>88.873</b> | <b>100.860</b> | <b>100,0%</b>                   | <b>13,5%</b> |

## GRAINS

| Productivity per culture (tons) | Crop 16/17<br>Realizad | Crop 17/18<br>Estimated | Change<br>(%) |
|---------------------------------|------------------------|-------------------------|---------------|
| Soybean                         | 65,057                 | 82,020                  | 26.1%         |
| Corn                            | 40,502                 | 29,430                  | -27.3%        |
| Corn - 2nd Crop                 | -                      | 2,319                   | n.a.          |
| <b>Total</b>                    | <b>105,559</b>         | <b>113,769</b>          | <b>7.8%</b>   |

The reduction of tons produced of corn is a result of decrease of planted area from 7,590 hectares in the 16/17 harvest to 4,174 in the 17/18 harvest.

## SUGARCANE

The following table shows the sugarcane results appropriated in the sugarcane harvest year (April to November) and during the Company's fiscal year (July 1 to June 30):

| <b>Year Crop Result - Sugarcane</b> | <b>2016<br/>(01/apr a 30/nov)</b> | <b>2017<br/>(01/apr a 30/sep)</b> | <b>2017 Estimated<br/>(01/apr a 30/nov)</b> |
|-------------------------------------|-----------------------------------|-----------------------------------|---|
| Tons Harvested                      | 846,694                           | 1,381,499                         | 1,660,174                                   |
| Hectares harvested                  | 9,965                             | 18,930                            | 25,977                                      |
| TCH - Harvest Tons per Hectares     | 84.97                             | 72.98                             | 63.91                                       |

| <b>Accounting Year Result - Sugarcane</b> | <b>1Q17</b> | <b>1Q18</b> | <b>Change (%)</b> |
|---|-------------|-------------|-------------------|
| Tons Harvested                            | 405,272     | 901,299     | 122.4%            |
| Hectares harvested                        | 4,741       | 11,981      | 152.7%            |
| TCH - Harvest Tons per Hectares           | 85.48       | 75.23       | -12.0%            |

The reduction of tons harvested per hectare is due to the sugarcane crop reform period in the areas harvested at the São José Farm. These areas were not being managed in accordance to the Company's quality standards and thus are being reformed in order to improve their productivity and quality levels.

## CATTLE RAISING

Until the date of this release, we had 11,153 head of cattle in the Preferência and Jatobá Farms and in Paraguay, distributed in 11,208 hectares of already active pasture in Brazil and 2,167 hectares of already active pasture in Paraguay.

| <b>Livestock</b>        | <b>1Q18</b> | <b>Crop 17/18<br/>Estimated</b> |
|-------------------------|-------------|---------------------------------|
| Hectares                | 13,375      | 14,029                          |
| Number of heads         | 11,153      | 15,799                          |
| Meat production (kg)    | 233,501.80  | 2,414,186                       |
| Weight Gain per Day     | 0.23        | 0.42                            |
| Weight Gain per hectare | 17.46       | 172.09                          |

## OTHERS

In order to improve the Company's results and mitigate operating risks, we leased 7,650 hectares to third parties in the state of Bahia. The areas were leased to local farmers and the contracts have a term of up to five harvests.

In addition, we have 6,550 hectares of grasses cover crops and 850 hectares of millet and sorghum, in order to increase the organic matter and accelerate the maturation of the soil.



# FINANCIAL PERFORMANCE

The consolidated financial statements were prepared and are being presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

## EBITDA e EBITDA Ajustado

EBITDA is calculated as gross profit adjusted by general, administrative, and selling expenses, other operating revenue and depreciation expenses. Adjusted EBITDA was calculated by excluding biological assets in progress (sugarcane and grains) and adjusting for the harvest's derivative results and depreciation expenses, including depreciation of fixed assets of the farms and administrative installations, developed areas and permanent crops.

| EBITDA (R\$ thousand)                | 1Q18          | 1Q17         | Change        |
|--------------------------------------|---------------|--------------|---------------|
| <b>Gross Profit</b>                  | <b>32.128</b> | <b>3.604</b> | <b>791,5%</b> |
| Selling expenses                     | (737)         | 90           | n.a.          |
| General and administrative expenses  | (7.625)       | (7.453)      | 2,3%          |
| Other operating income/expenses, net | (521)         | (2.611)      | -80,0%        |
| Depreciations and amortizations      | 8.093         | 5.680        | 42,5%         |
| <b>EBITDA</b>                        | <b>31.338</b> | <b>(690)</b> | <b>n.a.</b>   |

| Adjusted EBITDA (R\$ thousand)   | 1Q18          | 1Q17           | Change        |
|--|---------------|----------------|---------------|
| <b>Gross Profit</b>  | <b>32.128</b> | <b>3.604</b>   | <b>791,5%</b> |
| Elimination of gains on biological assets (grains and sugarcane planted) | 946           | 1.432          | -34,0%        |
| Selling expenses   | (737)         | 90             | n.a.          |
| General and administrative expenses                                      | (7.625)       | (7.453)        | 2,3%          |
| Other operating income/expenses, net                                     | (521)         | (2.611)        | -80,0%        |
| Derivatives Results  | 996           | (1.748)        | n.a.          |
| Adjusted Depreciations <sup>1</sup>                                      | 8.519         | 5.787          | 47,2%         |
| EBITDA Cresca <sup>2</sup>   | 30            | (676)          | n.a.          |
| <b>Adjusted EBITDA</b>   | <b>33.736</b> | <b>(1.574)</b> | <b>n.a.</b>   |

1- Adjusted Depreciation includes depreciation of harvested grains and sugarcane.

2- As of June 30, 2017, the amounts refer to Cresca's administrative expenses. The operating result in Paraguay is consolidated to BrasilAgro.

## Income Statement

Since March 2017, the results of the operation in Paraguay are be disclosed consolidated to the results of the operation in Brazil.

### NET REVENUE FROM SALES OF AGRICULTURAL PRODUCTS

| Net Revenue (R\$ thousand) | 1Q18          | 1Q17          | Change        |
|----------------------------|---------------|---------------|---------------|
| <b>Total</b>               | <b>83,746</b> | <b>40,155</b> | <b>108.6%</b> |
| Soybean                    | 6,143         | 5,846         | 5.1%          |
| Corn                       | 2,754         | 319           | 762.4%        |
| Sugarcane                  | 73,528        | 33,488        | 119.6%        |
| Livestock                  | 380           | -             | n.a.          |
| Leasing                    | 839           | (46)          | n.a.          |
| Services                   | -             | 28            | -100.0%       |
| Others                     | 103           | 520           | -80.1%        |

| Tons         | 1Q18           | 1Q17           | Change        |
|--------------|----------------|----------------|---------------|
| <b>Total</b> | <b>900,795</b> | <b>408,303</b> | <b>120.6%</b> |
| Soybean      | 6,783          | 5,249          | 29.2%         |
| Corn         | 4,756          | 416            | 1043.3%       |
| Sugarcane    | 889,256        | 401,890        | 121.3%        |
| Others       | -              | 748            | -100.0%       |

In 1Q18, the recorded net revenue from sales was R\$83.7 million, an increase of R\$43.5 million when compared to the previous year, as a result of the increase in volume sold during the period.

Net revenue from grains (soybean and corn) in 1Q18 increased by 44.3% versus the same period of the previous year, from R\$6.2 million, from the sale of 5,700 tons of grains, to R\$8.9 million, from the sale of 11,500 tons.

Soybean revenue increased by 5.1% in 1Q18 when compared to the previous year, from R\$5.8 million, from the sale of 5,200 tons at R\$1,113.65 per ton, to R\$6.1 million, from the sale of 6,800 tons at R\$905.66 per ton.

Corn revenue in 1Q18 increased by R\$2.4 million when compared to the previous year, from R\$319 thousand from the sale of 416 tons at R\$767.57 per ton to R\$2.7 million, from the sale of 4.7 tons at R\$579.01 per ton.

Sugarcane revenue in 1Q18 increased by R\$40.0 million when compared to the previous year, from R\$33.5 million from the sale of 401,900 tons at R\$83.33 per ton, to R\$73.5 million from the sale of 889,300 tons at R\$82.68 per ton of sugarcane. The reduction in per-ton sugarcane price was due to the 5% price reduction in the price of TRS (total recoverable sugar), which went from 0.61 R\$/kg in 1Q17 to 0.57 R\$/kg in 1T18.

Cattle-raising revenue totaled R\$380 thousand in 1Q18, reflecting the sale of 205 head of cattle in Brazil and Paraguay.

Lasing revenue reached R\$839 thousand in 1Q18 and reflects the third-party leases of Farms in the state of Bahia.

Other sales revenue totaled R\$103 thousand in 1Q18 and came from the sale of soybean residues. During the same period of the previous year, we had other revenue in the amount of R\$548 thousand, which came from the sale of inputs (seeds, fertilizers and byproducts) from areas that were not planted in the 2016/17 harvest year.

## GAINS OR LOSSES OF AGRICULTURAL PRODUCTS AND BIOLOGICAL ASSETS

| Biological Assets and Agricultural Products (R\$ thousand) | Soybean<br>16/17 | Corn(1)<br>16/17 | Sugarcane     | Cattle       | Others     | Gain / Loss in<br>09/30/2017 |
|--|------------------|------------------|---------------|--------------|------------|------------------------------|
| Gain and loss on agricultural products                     | 1,659            | 477              | 13,634        | -            | (7)        | 15,763                       |
| Gain and loss on biological assets                         | -                | (146)            | (799)         | (583)        | -          | (1,528)                      |
| <b>Change on biological assets fair value</b>              | <b>1,659</b>     | <b>331</b>       | <b>12,835</b> | <b>(583)</b> | <b>(7)</b> | <b>14,235</b>                |

Gains or losses from the variation in the fair value of agricultural products are determined by the difference between their harvested volume at market value (net of selling expenses and taxes) and the production costs incurred (direct and indirect costs, leasing and depreciation).

Harvested agricultural products are measured at their value at the time of harvest considering the market price of the area of each farm.

Since July 1, 2016, biological assets corresponding to ratoons of sugarcane have been measured at cost less depreciation (Accounting Standard IAS 16), while planted cane will continue to be measured at fair value (Accounting Standard IAS 41).

| Biological Assets (R\$ thousand)                | Gain / Loss in<br>09/30/2017 |
|---|------------------------------|
| Area (hectares)                                 | 11,981                       |
| Production (Tons)                               | 901,299                      |
| Productivity (Ton./ha)                          | 75.23                        |
| Fair Value (R\$)                                | 66,533                       |
| Cost of production (R\$)                        | (52,899)                     |
| <b>Gain and loss on biological assets (R\$)</b> | <b>13,634</b>                |

Biological assets correspond to agricultural products in formation (not yet harvested) and cattle, measured at the net present value of the expected cash flow from these products. The calculation of fair value considers the best estimates in relation to sales prices, discount rates, direct and indirect costs, leasing, yields and selling expenses.

Cattle biological assets are measured at fair value and controlled in accordance with two

methodologies: 12 to 15-month calves and steers (heifers) are controlled and valued by head, while older animals are controlled by weight.

Fair value variation is impacted by variations between fair value and cost, as well as by fair value variations between the periods.

Gains or losses from the variation in the fair value of biological assets are determined by the difference between their fair value and their book value. Book value includes investments and costs effectively incurred until the moment of appraisal, as well as write-offs arising from the harvesting of the agricultural products.

The table below shows the results of the sugarcane harvest:

| Year ended June 30, 2017            | Crop 2016     | Crop 2017    | Total         |
|-------------------------------------|---------------|--------------|---------------|
| Net Revenues                        | 48,949        | 71,971       | 120,920       |
| Cost of Sales                       | (43,420)      | (74,455)     | (117,875)     |
| Gain (loss) of agriculture products | 7,215.00      | 11,524       | 18,739        |
| <b>Profit (loss)</b>                | <b>12,744</b> | <b>9,040</b> | <b>21,784</b> |
| Tons harvested                      | 535,103       | 480,200      | 1,015,303     |

| Year ended September 30, 2017       | Crop 2016 | Crop 2017     | Total         |
|-------------------------------------|-----------|---------------|---------------|
| Net Revenues                        |           | 73,528        | 73,528        |
| Cost of Sales                       |           | (57,432)      | (57,432)      |
| Gain (loss) of agriculture products |           | 12,834        | 12,834        |
| <b>Profit (loss)</b>                | <b>-</b>  | <b>28,930</b> | <b>28,930</b> |
| Tons harvested                      |           | 901,299       | 901,299       |

## IMPAIRMENT (REVERSAL OF PROVISIONS OF THE RECOVERABLE AMOUNT OF AGRICULTURAL PRODUCTS, NET)

A provision to adjust inventories at the net realized value of agricultural products is constituted when the fair value of the inventory is higher than the realized value. The realization value is the sales price estimated during the normal course of business less estimated selling expenses.

On September 30, 2017, the recognized amount corresponded to a gain of R\$958 thousand.

## COST OF PRODUCTION

| (%)                                     | Soybean    | Corn       | Sugarcane  | Livestock  |
|---|------------|------------|------------|------------|
| <b>Variable costs</b>                   |            |            |            |            |
| Seeds                                   | 15%        | 16%        | 0%         | 0%         |
| Fertilizers                             | 16%        | 23%        | 10%        | 1%         |
| Defensive                               | 19%        | 15%        | 6%         | 0%         |
| Agricultural services                   | 19%        | 16%        | 47%        | 0%         |
| Fuels and Lubricants                    | 4%         | 4%         | 8%         | 1%         |
| Maintenance of machines and instruments | 0%         | 0%         | 0%         | 6%         |
| Animal Feed                             | 0%         | 0%         | 0%         | 9%         |
| Others                                  | 3%         | 2%         | 2%         | 5%         |
| <b>Fixed costs</b>                      | <b>24%</b> | <b>24%</b> | <b>27%</b> | <b>78%</b> |
| Labor                                   | 4%         | 2%         | 3%         | 11%        |
| Depreciation and amortization           | 11%        | 12%        | 12%        | 66%        |
| Leasing                                 | 6%         | 8%         | 10%        | 0%         |
| Others                                  | 3%         | 2%         | 2%         | 1%         |

| (R\$ / thousand) | Crop16/17<br>Realized | Crop 17/18<br>Estimated | Change |
|------------------|-----------------------|-------------------------|--------|
| Soybean          | 2,159                 | 2,163                   | 0.2%   |
| Corn             | 2,397                 | 2,164                   | -9.7%  |
| Sugarcane        | 4,416                 | 5,140                   | 16.4%  |

The increase in the cost of production of sugarcane reflects the carrying out costs of the São José farm, which didn't occur in the previous harvest.

## COST OF GOODS SOLD

| (R\$ thousand)                     | 1Q18            | 1Q17            | Change       |
|------------------------------------|-----------------|-----------------|--------------|
| <b>Total of cost of goods sold</b> | <b>(66,811)</b> | <b>(39,443)</b> | <b>69.4%</b> |
| Soybean                            | (5,982)         | (5,711)         | 4.7%         |
| Corn                               | (2,920)         | (210)           | 1290.5%      |
| Sugarcane                          | (57,433)        | (32,424)        | 77.1%        |
| Livestock                          | (411)           | (45)            | 813.3%       |
| Others                             | (65)            | (1,053)         | -93.8%       |

Cost of goods sold (COGS) came to R\$66.8 million in 1Q18. Due to the fair value adjustments of agricultural products, period changes in costs are directly linked to the market price of commodities at the time of harvest.

Total soybean COGS increased by 4.7% in 1Q18 when compared to the previous year, from R\$5.7 million, from the sale of 5,200 tons at R\$1,087.94 per ton, to R\$5.9 million, from the sale of 6,800 tons at R\$881.90 per ton.

Total corn COGS increased by R\$2.7 million in 1Q18 versus the previous year, from R\$210 thousand, from the sale of 416 tons at R\$505.43 per ton, to R\$2.9 million, from the sale of 4.7 thousand tons at R\$613.89 per ton.



Total sugarcane COGS increased by 77.1% in 1Q18 versus the previous year, from R\$32.4 million, from the sale of 401,900 tons at R\$80.68 per ton, to R\$57.4 million, from the sale of 889,200 tons at R\$64.58 per ton of sugarcane.

Total cattle-raising COGS reached R\$411 thousand in 1Q18 and reflects the net result of animal death and birth during the period (R\$18 thousand) and the sales cost of 205 head of cattle in Brazil and Paraguay at R\$1,900 per head.

Other COGS in the amount of R\$65,000 in 1Q17 refer to the sale of residues and the amount of R\$1.0 million refers to the sale of inputs (seeds, fertilizers and byproducts).

## SELLING EXPENSES

| (R\$ thousand)          | 1Q18         | 1Q17      | Change      |
|-------------------------|--------------|-----------|-------------|
| <b>Selling expenses</b> | <b>(737)</b> | <b>90</b> | <b>n.a.</b> |
| Freight                 | (137)        | (5)       | 2784.4%     |
| Storage and Processing  | (626)        | (180)     | 248.1%      |
| Others                  | 26           | 275       | -90.5%      |

In 1Q18 we recorded R\$737 thousand in selling expenses. This result is due to the increase in freight, reflected by the increase in grain sales during the period.

The increase in storage and processing expenses in 1Q18 is due to the increase in storage expenses for grain inventory from the 2016/17 harvest.

Other selling expenses refer to the reversal of loss for doubtful debtors (PDD).

## GENERAL AND ADMINISTRATIVE EXPENSES

| (R\$ thousand)                             | 1Q18           | 1Q17           | Change      |
|--|----------------|----------------|-------------|
| <b>General and administrative expenses</b> | <b>(7,625)</b> | <b>(7,453)</b> | <b>2.3%</b> |
| Depreciations and amortizations            | (173)          | (177)          | -2.3%       |
| Personnel expenses                         | (4,841)        | (5,335)        | -9.3%       |
| Expenses with services provider            | (1,288)        | (947)          | 36.0%       |
| Leases and Rents                           | (106)          | (201)          | -47.3%      |
| Others expenses                            | (1,217)        | (793)          | 53.5%       |

As of March 2017, we began to consolidate general and administrative expenses of the operation in Paraguay, which were previously accounted for under the equity pick up.

In 1Q18, general and administrative expenses increased by 2.3% in comparison to the same period of the previous year, from R\$7.4 million to R\$7.6 million.

The increase by 36.0% in expenses with service providers is mainly due to the expenses with

advisors for the development of new projects.

The decrease by 47.3% in leases and rents is mainly due to renegotiations of lease contracts.

The increase by 53.5% in other expenses are primarily due to the provision of the Rural Property Tax (ITR) in the amount of R\$728 thousand, in the previous years this expense was recognized at the time of payment, which occur in the 2Q17.

## OTHER OPERATING INCOME / EXPENSES

| (R\$ thousand)                         | 1Q18         | 1Q17           | Change        |
|--|--------------|----------------|---------------|
| <b>Other operating income/expenses</b> | <b>(521)</b> | <b>(2,611)</b> | <b>-80.0%</b> |
| Gain/Loss on sale of fixed assets      | (35)         | (489)          | -92.8%        |
| Management Fee - Cresca Reversal       | -            | (1,050)        | -100.0%       |
| Provisions for lawsuits                | (320)        | (369)          | -13.3%        |
| Others                                 | (166)        | (703)          | -76.4%        |

In 1Q18, other operating expenses dropped by R\$2.0 million, from R\$2.6 million in 1Q17 to R\$521 thousand in 1Q18. This drop was mainly due to the management fee reversal of Cresca, in the amount of R\$1.0 million, due to the end of the consulting agreement for the development of lands in Paraguay and to expenses in the amount of R\$638 thousand referring to the resignation of the CEO in August 2016, which were accounted for in 1Q17.

## FINANCIAL RESULT

| (R\$ thousand)                             | 1Q18         | 1Q17          | Change        |
|--|--------------|---------------|---------------|
| <b>Total</b>                               | <b>8,852</b> | <b>13,352</b> | <b>-33.7%</b> |
| Interest                                   | 8,103        | (1,058)       | n.a.          |
| Exchange variations                        | 27           | (139)         | n.a.          |
| Foreign exchange variations on liabilities | (1,580)      | 600           | n.a.          |
| Unwind of present value adjustment         | 671          | 2,101         | -68.1%        |
| Results with derivatives                   | 1,525        | 3,833         | -60.2%        |
| Other financial income / expenses          | 106          | 8,015         | -98.7%        |

The consolidated financial result is composed of the following items: (i) interest on financing; (ii) the impact of the monetary variation on the amount payable from the acquisition of the Nova Buriti Farms; (iii) the impact of the U.S. dollar exchange variation on the offshore account and Cresca's receivables; (iv) the present value of Cremaq, Araucária and Jatobá Farms' sales receivables, fixed in soybean bags; (v) the result from hedge operations; and (vi) bank fees and expenses and returns on cash investments.

Interest variation is mainly due to the recognition of the financial revenue obtained from the Nova Buriti Farm renegotiation, in the amount of R\$9.3 million.

Foreign exchange variations refer to margin deposits as collateral for derivative transactions with *offshore* brokerage houses and Cresca's receivables. This variation is a reflection of the variation of the dollar in the period from R\$3.3082 on June 30, 2017 to R\$3.11680 on September 30, 2017.

The derivatives result reflects the commodities hedge operations result and the impact of the exchange variation on cash, which was partially dollarized in order to maintain purchasing power in regard to inputs, investments and new acquisitions, which have a positive correlation with the U.S. currency. In 1Q18, the result of derivative transactions was R\$1.5 million, of which R\$1.2 million are related to currency operations and R\$315 thousand are related to operations with commodities. In 1Q17, derivative operations totaled R\$3.8 million, of which R\$1.2 million are a loss related to currency operations and R\$5.0 million are in operations with commodities.

The reduction in other financial income / expenses is due to the decrease in the Company's cash position, from an average cash flow of R\$189.8 million in 1Q17 to R\$52.8 million in 1Q18 and also decrease in the SELIC rate.

On August 30, 2017, the title deed for the Nova Buriti Farm was given and, consequently, the payment of the Farm balance was paid. The Farm's total price was adjusted, with the partial cancellation of the monetary adjustments (by the IGP-M - General Market Price Index) that would be owed by the Company. The amount of R\$9.3 million was recognized as financial income in 1Q18 and the outstanding balance of the debt will not be restated.

**DERIVATIVE OPERATIONS**

Our risk policy primarily aims to hedge the Company's cash flow. In this context, we are concerned not only with the main components of our revenue, but also the main components of our production costs. We therefore monitor on a daily basis: a) the international prices of the main agricultural commodities produced by the Company, usually expressed in U.S. dollars; b) the base premium, i.e. the difference between the international and domestic commodity price; c) exchange rates; and d) the prices of the main components such as freight, fertilizers and chemicals, that can significantly impact costs.

The points analyzed when deciding on the price and margin hedging strategy and tools are listed below:

- Estimated gross margin based on the current price environment
- Standard deviation from the estimated gross margin for different pricing strategy scenarios.

- Analysis of the estimated gross margin in stress scenarios for different hedge strategies.

Comparison between current estimates and the Company's budget.

- Comparison of the estimated gross margin and the historical average.
- Market expectations and trends.
- Tax aspects.

### Hedge Position on November 01, 2017

| Crop  | Soybean               |                           |                | FX           |                           |         |
|-------|-----------------------|---------------------------|----------------|--------------|---------------------------|---------|
|       | Volume <sup>(1)</sup> | % de hedge <sup>(2)</sup> | Price (USD/bu) | Volume (mil) | % de hedge <sup>(3)</sup> | BRL/USD |
| 17/18 | 43.132 ton            | 69.9%                     | 10.51          | USD 22.076   | 87.4%                     | 3.38    |

1- Net production volume estimated + receivables from farm sales.

2- Percentage of volume in tons of soybean locked in.

3- Percentage of expected revenue in USD.

## Balance Sheet

### ALLOCATION OF NET INCOME AND DISTRIBUTION OF DIVIDENDS

On October 02, 2017, the Company's shareholders approved at the Annual and Special Shareholders' Meeting the distribution of dividends in the amount of R\$0.241108481 per share. The payment was done on October 30, 2017 and the Company's shares began to trade "ex-dividends" on October 03, 2017.

### NET ASSET VALUE – NAV

| (R\$ thousand)                             | September 30, 2017 |                  |
|--|--------------------|------------------|
|  | BOOK               | NAV              |
| Brazil Equity                              | 587,685            | 587,685          |
| Paraguay Equity                            | 96,386             | 96,386           |
| <b>BrasilAgro's Equity</b>                 | <b>684,071</b>     | <b>684,071</b>   |
| Brazil Equity                              |                    | 587,685          |
| Brazil's Land Value                        |                    | 1,164,062        |
| (-) Balance Sheet - Net Agri Opening Capex |                    | -67,767          |
| (-) Balance Sheet - Land Value             |                    | -301,352         |
| Paraguay Equity                            |                    | 96,386           |
| (+) Paraguay Land Value                    |                    | 143,074          |
| (-) Balance Sheet - Land Value             |                    | -134,321         |
| <b>NAV</b>                                 | <b>684,071</b>     | <b>1,487,767</b> |
| Shares                                     | 56,889             | 56,889           |
| <b>NAV per share</b>                       | <b>12.02</b>       | <b>26.15</b>     |

### CASH AND CASH

| Cash and Cash equivalents             | 06/30/2017    | 06/30/2016    | Change        |
|---------------------------------------|---------------|---------------|---------------|
| <b>Cash and Cash equivalents</b>      | <b>27,012</b> | <b>43,798</b> | <b>-38.3%</b> |
| Cash and Banks                        | 11,867        | 15,159        | -21.7%        |
| Repurchase agreements                 | 2,591         | 28,639        | -91.0%        |
| Bank deposit certificates             | 12,554        | -             | n.a.          |
| <b>Markable securities</b>            | <b>2</b>      | <b>2</b>      | <b>0.0%</b>   |
| Restricted financial investments      | -             | 2             | -100.0%       |
| Bank deposit certificates             | -             | -             | n.a.          |
| Banco do Nordeste (loan guarantees)   | -             | -             | n.a.          |
| Treasury financial bills              | 2             | -             | n.a.          |
| <b>Restricted Markable securities</b> | <b>21,147</b> | <b>5,502</b>  | <b>284.4%</b> |
| Bank deposit certificates             | 3,731         | 1,468         | 154.2%        |
| Banco do Nordeste (loan guarantees)   | 17,416        | 17,088        | 1.9%          |
| <b>Total</b>                          | <b>48,161</b> | <b>49,302</b> | <b>-2.3%</b>  |

The Company ended the quarter with a cash position of R\$48.2 million, a decrease of 29.0%



over June 30, 2017. This decrease is mainly a result of R\$7.0 million in debt payments and investments of R\$12.0 million.

## INVENTORY

| (R\$ thousand)               | 09/30/2017    | 06/30/2017    | Change       |
|------------------------------|---------------|---------------|--------------|
| Soybean                      | 294           | 6,837         | n.a.         |
| Corn                         | 6,198         | 6,819         | -9.1%        |
| Livestock                    | 16,737        | 11,153        | 50.1%        |
| Other crops                  | 270           | 50            | 440.0%       |
| <b>Agricultural Products</b> | <b>23,499</b> | <b>24,859</b> | <b>-5.5%</b> |
| Supplies                     | 15,564        | 8,952         | 73.9%        |
| <b>Total</b>                 | <b>39,063</b> | <b>33,811</b> | <b>15.5%</b> |

## INDEBTEDNESS

| Loans and Financing (R\$ thousand)              | Expiration<br>(Position in<br>06/30/2017) | Annual Interest Tax - %                                | 09/30/2017     | 06/30/2017     | Change       |
|---|---|--|----------------|----------------|--------------|
| <b>Short term</b>                               |   |  |                |                |              |
| Financiamento de Custeio Agrícola               | nov-17                                    | 8,84 to 12,75  | 27,927         | 10,703         | 160.9%       |
| Financiamento Projeto Bahia                     | Sep - 18                                  | TJLP + 3,45 and 4,45 / SELIC + 3,45 / Pre 4,00 to 9,00 | 14,121         | 15,236         | -7.3%        |
| Capital de Giro                                 | jul-17                                    | 2.,30% + 100% of CDI                                   | 10,268         | 15,782         | -34.9%       |
| Capital de Giro (USD)                           | Aug - 17                                  | 0.0349   | -              | 5,031          | -100.0%      |
| Financiamento de Máquinas e Equipamentos        | Sep - 18                                  | TJLP + 3.37  | 2              | 1              | 100.0%       |
| Financiamento de cana-de-açúcar                 | Aug - 17                                  | TJLP + 2,70 and 12,75                                  | 503            | 8,248          | -93.9%       |
| Arrendamento Financeiro Canavial - Parceria III | Nov- 17                                   | 0.0692   | 2,020          | 1,619          | 24.8%        |
|   |   |  | <b>54,841</b>  | <b>56,620</b>  | <b>-3.1%</b> |
| <b>Long term</b>                                |   |  |                |                |              |
| Financiamento de cana-de-açúcar                 | Feb - 20                                  | TJLP + 2,70  | 755            | 1,025          | -26.3%       |
| Financiamento de Máquinas e Equipamentos        | Mai - 22                                  | TJLP + 3,73%   | 3,524          | 1,208          | 191.7%       |
| Financiamento Projeto Bahia                     | Out - 20                                  | TJLP + 3,45 and 4,45 / SELIC + 3,45 / Pre 4,00 to 9,00 | 26,995         | 30,862         | -12.5%       |
| Arrendamento Financeiro Canavial - Parceria III | Nov-18                                    | 0.0692   | 595            | 1,665          | -64.3%       |
| Arrendamento Financeiro Canavial - Parceria IV  | Jan-32                                    | R\$/kg 0,6462  | 19,956         | 20,795         | -4.0%        |
|   |   |  | <b>51,825</b>  | <b>55,555</b>  | <b>-6.7%</b> |
| <b>Total</b>                                    |   |  | <b>106,666</b> | <b>112,175</b> | <b>-4.9%</b> |

On September 30, 2017 and June 30, 2017, the balance of loans and financing was R\$106.6 million and R\$112.2 million, respectively. The payment of interest and amortization totaled R\$31.8 million in 1Q18.

During the period, a total of R\$22.3 million was disbursed in new financing referring to the cost of sugarcane, soybean and corn operations and R\$3.9 million was disbursed for investments related to farm opening.

## ACQUISITIONS PAYABLE

| (R\$ thousand)   | Adjustment Rate | 09/30/2017   | 06/30/2017    | Change        |
|------------------|-----------------|--------------|---------------|---------------|
| Nova Buriti Farm | IGP-M           | 6,871        | 22,085        | -68.9%        |
| São José Farm    | CDI             | 2,391        | 2,561         | -6.6%         |
| <b>Total</b>     |                 | <b>9,262</b> | <b>24,646</b> | <b>-62.4%</b> |

On August 30, 2017, the title deed for the Nova Buriti Farm was given and, consequently, the payment of R\$5,802 was made. Part of the remaining balance, R\$1.5 million, was paid on October 18, 2017 and the last installment of R\$5.5 million is still outstanding.

At the time of the negotiation, the Farm's total price was adjusted, with the partial cancellation of the monetary adjustments (by the IGP-M - General Market Price Index) that would be owed by the Company. The amount of R\$9.3 million was recognized as financial income in 1Q18 and the outstanding balance of the debt will not be restated.

## PROPERTIES FOR INVESTMENT

The fundamental pillars of the Company's business strategy are the acquisition, development, exploration and sale of rural properties suitable for agricultural activities. The Company acquires rural properties with significant potential for generating value, subsequently holding the assets and carrying out profitable agricultural activities on them.

Once we acquire our rural properties, we begin to implement high-value-added crops and to transform these rural properties by investing in infrastructure and technology, while also entering into lease agreements with third parties. In line with our strategy, when we deem a rural property has reached its optimal value, we sell it to capture the capital gains.

The rural properties acquired by the Company are booked at their acquisition cost, which does not exceed their realized net value, and are recognized under "Non-Current Assets".

Properties for investment are evaluated at their historical cost, plus investments in buildings, improvements and the clearing of new areas, less accrued depreciation, in accordance with the same criteria detailed for fixed assets.

| Farm                           | Acquisition value | Buildings and improvements | Opening area  | Construction in progress | Properties for Investment |
|--------------------------------|-------------------|----------------------------|---------------|--------------------------|---------------------------|
| Initial Balance                | 300,487           | 26,369                     | 53,021        | 9,922                    | 389,799                   |
| <b>In June 30, 2016</b>        |                   |                            |               |                          |                           |
| Acquisitions                   | 865               | 94                         | 60            | 7,780                    | 8,449                     |
| Reductions                     |                   | -53                        |               |                          | -53                       |
| (-) Depreciation/ Amortization |                   | -208                       | -2,915        |                          | -3,123                    |
| <b>In June 30, 2017</b>        | <b>301,352</b>    | <b>26,202</b>              | <b>50,166</b> | <b>17,702</b>            | <b>395,422</b>            |

On September 30, 2017, we recorded R\$17.7 million in ongoing work, which refers to the clearance of areas at the Chaparral and Araucária Farms.

### CAPEX – AREA OPENING

| (R\$ thousand) | 1Q18         | 1Q17         | Change       |
|----------------|--------------|--------------|--------------|
| Maintenance    | 1,194        | 105          | 1037.1%      |
| Opening        | 4,388        | 3,788        | 15.8%        |
| <b>Total</b>   | <b>5,582</b> | <b>3,893</b> | <b>43.4%</b> |

### DEPRECIATION – AREA OPENING

| (R\$ thousand) | 1Q18           | 1Q17           | Change       |
|----------------|----------------|----------------|--------------|
| Maintenance    | (572)          | (464)          | 23.3%        |
| Opening        | (2,342)        | (2,171)        | 7.9%         |
| <b>Total</b>   | <b>(2,914)</b> | <b>(2,635)</b> | <b>10.6%</b> |

# CAPITAL MARKETS

In keeping with its pioneering spirit, the Company, which was the first agricultural production company to list its shares on the Novo Mercado segment of the BM&FBOVESPA, will also be the first Brazilian agribusiness company to list its ADRs (American Depositary Receipts) on NYSE (New York Stock Exchange).

## Share Performance

On November 03, 2017, BrasilAgro's shares (AGRO3) were traded at R\$12.67, resulting in a market cap of R\$720.8 million, while its ADRs (LND) were traded at US\$3.75.



| HIGHLIGHTS - AGRO3               | 1Q18         | 1Q17         |
|----------------------------------|--------------|--------------|
| Average Daily Trade Volume (R\$) | 1,357,924.00 | 1,987,033.33 |
| Maximum (R\$ per share)          | 12.32        | 12.30        |
| Minimum (R\$ per share)          | 12.13        | 11.98        |
| Average (R\$ per share)          | 12.21        | 12.12        |
| Closing Quote (R\$ per share)    | 13.25        | 12.10        |
| Variation in the period (%)      | 7.81%        | -1.62%       |

During 1Q18, BrasilAgro's shares reached a trading volume of R\$86.9 million, from 12,065 trades, while average daily traded volume was R\$1.4 million.

## Board

On October 02, 2017, the Company's shareholders elected the members of the board of directors and fiscal council in Special Shareholder's Meeting.

| BOARD OF DIRECTORS            | POSITION             |
|-------------------------------|----------------------|
| Eduardo S. Elsztain           | Chairman             |
| Alejandro G. Elsztain         | Director             |
| Alejandro G. Casaretto        | Director             |
| Carlos M. Blousson            | Director             |
| Saul Zang                     | Director             |
| Isaac Selim Sutton            | Independent Director |
| João de Almeida Sampaio Filho | Independent Director |
| Ricardo de Santos Freitas     | Independent Director |
| Robert Gibbins                | Independent Director |

| FISCAL COUNCIL           | POSITION                            |
|--------------------------|-------------------------------------|
| Débora de Souza Morsch   | Sitting member – Finance Specialist |
| Fabiano Nunes Ferrari    | Sitting member                      |
| Ivan Luvisotto Alexandre | Sitting member                      |



## Disclaimer

The statements contained in this document related to the prospects for BrasilAgro's businesses, projected operating and financial income and growth are merely projections, and as such are based exclusively on management's expectations. These expectations depend materially on market conditions, the performance of the Brazilian economy, the industry and international markets, and are therefore subject to change without prior notice.

## WEIGHTS AND MEASURES USED IN AGRICULTURE

### Weights and Measures used in Agriculture

|                |                       |
|----------------|-----------------------|
| 1 ton          | 1.000 kg              |
| 1 Kilo         | 2.20462 pounds        |
| 1 pound        | 0.45359 kg            |
| 1 acre         | 0.1840 bushel         |
| 1 hectare (ha) | 2.47105 acres         |
| 1 hectare (ha) | 10.000 m <sup>2</sup> |
| 1 bushel       | 5.4363 acres          |

### Soybean

|                     |                  |                 |
|---------------------|------------------|-----------------|
| 1 bushel of soybean | 60 pounds        | 27.2155 kg      |
| 1 bags of soybean   | 60 kg            | 2.20462 bushels |
| 1 bushel/acre       | 67.25 kg/ha      |                 |
| 1.00 US\$/bushel    | 2.3621 US\$/saca |                 |

### Corn

|                  |                  |                 |
|------------------|------------------|-----------------|
| 1 bushel of corn | 56 pounds        | 25.4012 kg      |
| 1 bags of corn   | 60 kg            | 2.36210 bushels |
| 1 bushel/acre    | 62.77 kg/ha      |                 |
| 1.00 US\$/bushel | 2.3621 US\$/saca |                 |

# INCOME STATEMENT

| (R\$ thousand)  | 1Q18            | 1Q17            | Change        |
|---|-----------------|-----------------|---------------|
| Revenues from grains  | 9,277           | 6,783           | 36.8%         |
| Revenues from sugarcane   | 75,409          | 34,245          | 120.2%        |
| Revenues from leasing   | 1,050           | 28              | 3650.0%       |
| Other revenues  | 445             | 372             | 19.6%         |
| Deductions from gross revenue                                       | (2,435)         | (1,273)         | 91.3%         |
| <b>Net Sales Revenue</b>  | <b>83,746</b>   | <b>40,155</b>   | <b>108.6%</b> |
| Change in fair value of biological assets and agricultural products | 14,235          | 3,105           | 358.5%        |
| Impairment  | 958             | (213)           | n.a.          |
| <b>Net Revenue</b>  | <b>98,939</b>   | <b>43,047</b>   | <b>129.8%</b> |
| Cost of agricultural products sale                                  | (66,811)        | (39,443)        | 69.4%         |
| <b>Gross Profit</b>   | <b>32,128</b>   | <b>3,604</b>    | <b>791.5%</b> |
| <b>Selling expenses</b>   | <b>(737)</b>    | <b>90</b>       | <b>n.a.</b>   |
| <b>General and administrative expenses</b>                          | <b>(7,625)</b>  | <b>(7,453)</b>  | <b>2.3%</b>   |
| Depreciations and amortizations                                     | (173)           | (177)           | -2.3%         |
| Personnel expenses  | (4,841)         | (5,335)         | -9.3%         |
| Expenses with services provider                                     | (1,288)         | (947)           | 36.0%         |
| Leases and Rents  | (106)           | (201)           | -47.3%        |
| Others expenses   | (1,217)         | (793)           | 53.5%         |
| <b>Other operating income/expenses, net</b>                         | <b>(521)</b>    | <b>(2,611)</b>  | <b>-80.0%</b> |
| <b>Equity pick up</b>   | <b>(741)</b>    | <b>(1,143)</b>  | <b>-35.2%</b> |
| <b>Financial result</b>   | <b>8,852</b>    | <b>13,352</b>   | <b>-33.7%</b> |
| <b>Financial income</b>   | <b>20,080</b>   | <b>24,851</b>   | <b>-19.2%</b> |
| Interest on Financial Investments                                   | 790             | 9,508           | -91.7%        |
| Interest on assets  | 10,026          | 1,160           | 764.3%        |
| Foreign exchange variations on liabilities                          | 526             | 769             | -31.6%        |
| Unwind of present value adjustment                                  | 2,942           | 3,838           | -23.3%        |
| Realized results with derivatives                                   | 1,970           | 3,615           | -45.5%        |
| Unrealized results with derivatives                                 | 3,826           | 5,961           | -35.8%        |
| <b>Financial expenses</b>   | <b>(11,228)</b> | <b>(11,499)</b> | <b>-2.4%</b>  |
| Interest expenses   | (580)           | (1,049)         | -44.7%        |
| Bank charges  | (104)           | (444)           | -76.6%        |
| Interest on liabilities   | (1,923)         | (2,218)         | -13.3%        |
| Monetary variations   | 27              | (139)           | n.a.          |
| Foreign exchange variations on liabilities                          | (2,106)         | (169)           | 1146.2%       |
| Unwind of present value adjustment                                  | (2,271)         | (1,737)         | 30.7%         |
| Realized results with derivatives                                   | (1,281)         | (1,438)         | -10.9%        |
| Unrealized results with derivatives                                 | (2,990)         | (4,305)         | -30.5%        |
| <b>Profit (loss) before income and social contribution taxes</b>    | <b>31,356</b>   | <b>5,839</b>    | <b>437.0%</b> |
| Income and social contribution taxes                                | (11,222)        | (2,817)         | 298.4%        |
| <b>Profit (loss) for the period</b>                                 | <b>20,134</b>   | <b>3,022</b>    | <b>566.2%</b> |
| Outstanding shares at the end of the period                         | 56,888,916      | 56,888,916      |               |
| Basic earnings (loss) per share - R\$                               | 0.35            | 0.05            | 566.2%        |

# BALANCE SHEET - ASSETS

| Assets (R\$ thousand)                  | 09/30/2017     | 06/30/2017     | Change       |
|--|----------------|----------------|--------------|
| <b>Current assets</b>                  |                |                |              |
| Cash and Cash equivalents              | 27,012         | 43,798         | -38.3%       |
| Markable securities                    | 3,733          | 6,972          | -46.5%       |
| Trade accounts receivable              | 85,428         | 54,026         | 58.1%        |
| Inventories                            | 22,326         | 22,658         | -1.5%        |
| Biological assets                      | 40,497         | 38,260         | 5.8%         |
| Derivative financial instruments       | 3,126          | 4,090          | -23.6%       |
| Transactions with related parties      | 1,318          | 1,298          | 1.5%         |
|  | <b>183,440</b> | <b>171,102</b> | <b>7.2%</b>  |
| <b>Non-current assets</b>              |                |                |              |
| Biological assets                      | 16,737         | 13,435         | 24.6%        |
| Markable securities                    | 17,416         | 17,088         | 1.9%         |
| Diferred taxes                         | 44,010         | 53,780         | -18.2%       |
| Derivative financial instruments       | 167            | 1              | 16600.0%     |
| Accounts receivable and sundry credits | 39,744         | 44,605         | -10.9%       |
| Investment properties                  | 395,422        | 389,799        | 1.4%         |
| Transactions with related parties      | 34,686         | 35,640         | -2.7%        |
| Investments                            | 96,386         | 101,426        | -5.0%        |
| Property, plant and equipment          | 55,849         | 54,745         | 2.0%         |
| Intangible assets                      | 1,553          | 1,672          | -7.1%        |
|  | <b>701,970</b> | <b>712,191</b> | <b>-1.4%</b> |
| <b>Total assets</b>                    | <b>885,410</b> | <b>883,293</b> | <b>0.2%</b>  |

# BALANCE SHEET – LIABILITIES

| Liabilities (R\$ thousand)                   | 09/30/2017     | 06/30/2017     | Change       |
|--|----------------|----------------|--------------|
| <b>Current liabilities</b>                   |                |                |              |
| Trade accounts payable and other obligations | 59,975         | 55,615         | 7.8%         |
| Loans and financing                          | 54,841         | 56,620         | -3.1%        |
| Labor obligations                            | 14,684         | 11,513         | 27.5%        |
| Derivative financial instruments             | 2,929          | 3,978          | -26.4%       |
| Accounts payable for acquisitions            | 9,262          | 24,646         | -62.4%       |
| Transactions with related parties            | 4,676          | 4,784          | -2.3%        |
|  | <b>146,367</b> | <b>157,156</b> | <b>-6.9%</b> |
| <b>Non-current liabilities</b>               |                |                |              |
| Trade accounts payable and other obligations | 1,233          | 1,520          | -18.9%       |
| Loans and financing                          | 51,825         | 55,555         | -6.7%        |
| Derivative financial instruments             | -              | -              | n.a.         |
| Provision for legal claims                   | 1,914          | 1,594          | 20.1%        |
|  | <b>54,972</b>  | <b>58,669</b>  | <b>-6.3%</b> |
| <b>Total liabilities</b>                     | <b>201,339</b> | <b>215,825</b> | <b>-6.7%</b> |
| <b>Equity</b>                                |                |                |              |
| Capital                                      | 584,224        | 584,224        | n.a.         |
| Capital reserves                             | 1,153          | 1,525          | -24.4%       |
| Treasury shares                              | (35,208)       | (36,797)       | -4.3%        |
| Profits reserves                             | 68,615         | 68,615         | 0.0%         |
| Proposed additional dividends                | 6,486          | 6,486          | 0.0%         |
| Equity variation adjustment                  | 38,667         | 43,415         | -10.9%       |
| Accumulated losses                           | 20,134         | -              | n.a.         |
| <b>Total equity</b>                          | <b>684,071</b> | <b>667,468</b> | <b>2.5%</b>  |
| <b>Total liabilities and equity</b>          | <b>885,410</b> | <b>883,293</b> | <b>0.2%</b>  |

# CASH FLOW

| R\$ (thousand)   | 1Q18            | 1Q17           | Change          |
|--|-----------------|----------------|-----------------|
| Profit (loss) for the period   | 20,134          | 3,022          | 566.2%          |
| <b>Adjustments to reconcile net income</b>   |                 |                |                 |
| Depreciation and amortization  | 8,093           | 5,680          | 42.5%           |
| Residual value of fixed assets   | 7               | 4              | 75.0%           |
| Cost result capitalized in investment properties   | 53              | 1              | 5200.0%         |
| Equity Pickup  | 741             | 1,143          | -35.2%          |
| Gain (loss) unrealized results with derivatives  | (836)           | (1,656)        | -49.5%          |
| Exchange rate, monetary and financial charges unrealized   | (7,207)         | (7,862)        | -8.3%           |
| Adjustment to present value for receivables from sale of farms, machinery and financial leasings | (671)           | (2,101)        | -68.1%          |
| Income and social contribution taxes   | 9,770           | 1,931          | 406.0%          |
| Fair value of biological assets and agricultural products and depletion of harvest               | (14,235)        | (3,105)        | 358.5%          |
| Provision (Reversal) of impairment of agricultural products after harvest                        | (958)           | 213            | n.a.            |
| Allowance for doubtful accounts  | 26              | 275            | -90.5%          |
| Provisions for lawsuits  | 320             | 369            | -13.3%          |
|  | <b>15,237</b>   | <b>(2,086)</b> | <b>n.a.</b>     |
| <b>Change in operating working capital</b>   |                 |                |                 |
| Trade accounts receivable  | (22,821)        | (5,815)        | 292.5%          |
| Inventories  | 1,513           | (592)          | n.a.            |
| Biological Assets  | 8,696           | 6,408          | 35.7%           |
| Recoverable Taxes  | 503             | 1,581          | -68.2%          |
| Derivative Transactions  | 179             | 294            | -39.1%          |
| Other assets   | (972)           | (991)          | -1.9%           |
| Suppliers  | 8,484           | 2,486          | 241.3%          |
| Related parties  | (60)            | 1,082          | n.a.            |
| Taxes payable  | (874)           | (1,646)        | -46.9%          |
| Income tax and social contribution   | 746             | (2,202)        | n.a.            |
| Labor obligations  | 3,171           | 2,422          | 30.9%           |
| Advance from customers   | (4,283)         | (111)          | 3758.6%         |
| Other obligations  | (461)           | (800)          | -42.4%          |
| <b>Net Cash generated by (used in) operating activities</b>                                      | <b>9,058</b>    | <b>30</b>      | <b>30093.3%</b> |
| <b>CASH FLOW OF INVESTMENT ACTIVITIES</b>  |                 |                |                 |
| Additions to immobilized and intangible  | (6,979)         | (530)          | 1216.8%         |
| Additions to property for investments  | (14,883)        | (4,240)        | 251.0%          |
| Redemption of (investment in) marketable securities  | 3,692           | 5,457          | -32.3%          |
| Amount received from the sale of farm  | (1,425)         | -              | n.a.            |
| <b>Net cash (invested in) investment activities</b>  | <b>(19,595)</b> | <b>687</b>     | <b>n.a.</b>     |
| <b>CASH FLOW OF FINANCING ACTIVITIES</b>   |                 |                |                 |
| Loans and financing  | 26,144          | 7,888          | 231.4%          |
| Interest from Loans and Financing  | (4,875)         | (2,623)        | 85.9%           |
| Payment of loans and financing   | (26,908)        | (7,860)        | 242.3%          |
| Treasury shares  | (610)           | -              | n.a.            |
| <b>Generated (provided) net cash by financing activities</b>                                     | <b>(6,249)</b>  | <b>(2,595)</b> | <b>140.8%</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>  | <b>(16,786)</b> | <b>(1,878)</b> | <b>797.8%</b>   |
| Cash and cash equivalents at the beginning of the year   | 43,798          | 54,204         | -19.2%          |
| Cash and cash equivalents at the end of the year   | 27,012          | 52,326         | -48.4%          |
|  | <b>(16,786)</b> | <b>(1,878)</b> | <b>793.8%</b>   |