Cantagalo General Grains S.A.

Financial statements
December 31, 2015

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

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Independent auditors’ report on the financial statements

To
The Board of Directors and Shareholders
Cantagalo General Grains S.A.
São Paulo - SP

We have examined the accompanying individual and consolidated financial statements of Cantagalo General Grains S.A. (“Company”), identified as Parent Company and Consolidated, which comprise the balance sheet as of December 31, 2015 and the respective statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, as well as a summary of the main accounting practices and other notes to the financial statements.

Management’s responsibility for the financial statements

The Company's management is responsible for the preparation and adequate presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil, as well as for the internal controls that it considers necessary for enabling the preparation of these financial statements free of material misstatement, regardless of whether caused by fraud or error.

Responsibility of the independent auditors

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and international auditing standards. These standards demand compliance with ethical requirements by the auditors and that the audit is planned and conducted for the purpose of obtaining reasonable assurance that the financial statements are free of material misstatement.

An audit involves the performance of selected procedures in order to obtain evidence with respect to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor’s judgment and include an assessment of the risks of material misstatement in the financial statements, regardless of whether caused by fraud or error. In the assessment of these risks, the auditor considers the relevant internal controls for the preparation and adequate presentation of the Company’s financial statements, in order to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the Company’s internal controls. An audit also includes the evaluation of the adequacy of the accounting practices used and the reasonableness of the accounting estimates made by Management, as well as the evaluation of the presentation of the financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate for expressing our opinion.

Opinion on the individual financial statements
In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Cantagalo General Grains S.A. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended, in conformity with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements
In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Cantagalo General Grains S.A. as of December 31, 2015, and the consolidated results of its operations and its consolidated cash flows for the year then ended, in conformity with international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Other issues

Statements of added value
We also examined the individual and consolidated statements of added value for the year ended December 31, 2015, prepared under management's responsibility, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same audit procedures described previously and, in our opinion, are presented adequately, in all material respects, in relation to the financial statements, taken as a whole.

São Paulo, March 2, 2016

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)

Fernando Antonio Rodrigues Alfredo
Accountant CRC 1SP252419/O-0

Fernando Rogério Liani
Accountant CRC 1SP229193/O-2

Notes to the financial statements

(In thousands of Reais)

1 Operations

Cantagalo General Grains S.A. is a closely held joint stock company, with its headquarters at Avenida Magalhaes de Castro, 4,800, 11º andar, sala 2, city of São Paulo - SP, established on October 25, 2010, with the purpose of cultivating soybeans, corn, cotton and other cereals; producing certified seeds, producing seeds, seedlings and other forms of certified plant propagation; preparing land, cultivating and harvesting, manufacturing fertilizer, trading (importing and exporting) on the domestic and foreign markets of agricultural products especially vegetable grains and their derivatives, fertilizers, their raw materials and byproducts, as well as pesticides; exploiting auxiliary services for water transport, auxiliary services for road transport of general cargo; auxiliary services for the transport of general cargo (transport logistics or transport agent), shipping agency and port operator; deposit and standardization services; warehouse logistics; transport consulting in general, establishing or participating in any way in other companies, consortia or organizations where the corporate purposes are directly or indirectly linked, accessory or instrumental to the Company's purpose; processing and further processing, on its own account or through third parties or others, of agricultural products and their byproducts, of fertilizers and their derivatives, of raw materials in general and pesticides , and managing its own assets.

2 Companies of the group

		Equity interest			
		Direct		**Indirect**	
	Countries	**2015**	**2014**	**2015**	**2014**
CGG Trading S.A.	Brazil	56.87%	56.87%	-	-
Tropical Empreendimentos e Participações Ltda.	Brazil	100.0%	100.0%	-	-
Siqueira Empreendimentos e Participações Ltda.	Brazil	100.0%	100.0%	-	-
Belarina Alimentos S.A	Brazil	50.0%	50.0%	-	-
Corredor Logística e Infraestrutura S.A.	Brazil	-	-	56.87%	56.87%
CGG Trading B.V	Holland	-	-	56.87%	56,87%
CGG Trading Argentina S.A	Argentina	-	-	56.87%	56,87%

Transactions of the subsidiaries

a. Tropical Empreendimentos e Participações Ltda. and Siqueira Empreendimentos e Participações Ltda.

Established on September 20, 2012 and headquartered in the city of São Paulo -SP, the purpose of the companies is the cultivation of soybeans, corn, cotton and other cereals; production of certified seeds, production of seeds, seedlings and other forms of certified plant propagation; preparation of land, cultivation and harvesting, manufacturing of fertilizers, trading (importing and exporting) on the domestic and foreign market of agricultural products especially vegetable grains and their derivatives, fertilizers, their raw materials and byproducts, as well as pesticides; exploitation of auxiliary services for waterway transport, auxiliary services for road transport of general cargo; auxiliary services for the transport of general cargo (transport logistics or transport agent), shipping agency and port operator; deposit and standardization services; warehouse logistics; transport consulting in general, establishing, participating or investing in any way in other companies, enterprises or entities whose corporate purposes are directly or indirectly linked to agricultural and industrial sectors; processing and further processing , on its own account or through third parties or others, of agricultural products and their byproducts, of fertilizers and their byproducts, of raw materials in general and pesticides, entering into leasing agreements or rural partnerships and managing its own assets.

Below is a list of the main assets held by the companies:
Siqueira: Siqueira Farm (Brasnorte - MT) and Acreúna Farm (Acreúna - GO)
Tropical: Tropical Farm (Barra Grande do Ribeiro - PI) and Maria da Cruz Farm (Pedras de Maria da Cruz - MG).

b. CGG Trading S.A.

Established on February 17, 2011 and headquartered in São Paulo -SP, the companies' purpose is trading (importing and exporting) on domestic and foreign markets of agricultural products especially vegetable grains and their byproducts, fertilizers, their raw materials and byproducts and pesticides; exploitation of auxiliary services for waterway transport, auxiliary services for road transport of general cargo; auxiliary services for the transport of general cargo (transport logistics or transport agent), shipping agency and port operator; deposit and standardization services; warehouse logistics; transport consulting in general, establishing or participating in any way in other companies, consortia or companies, accessory or instrumental to the company's corporate purposes; processing and further processing, on its own account or through third parties or others, of agricultural products and their byproducts, of fertilizers and their derivatives, of raw materials in general and pesticides and managing its own assets. Additionally, the subsidiary has investments in the companies (i) CGG Trading BV and (ii) Corredor Logística e Infraestrutura S.A. and (iii) CGG Trading Argentina S.A.

(i) CGG Trading BV

A company with its headquarters in Amsterdam, Holland, established on July 28, 2011 focused on the exploitation of trading (importing and exporting) on foreign markets of agricultural products, especially all vegetable grains and their byproducts, raw materials for the textile industry and their by-products and livestock; establishing or participating in any way in other financial entities.

(ii) Corredor Logística e Infraestrutura S.A.

A company with its headquarters in São Paulo - SP, established on October 21, 2011, dedicated to the exploitation of auxiliary services for waterway transport, auxiliary services for road transport of general cargo; auxiliary services for the transport of general cargo (transport logistics or transport agent); shipping agency and port operator, deposit services, warehouse logistics; general transport consulting; road and rail transshipment center: grain and related storage, pre-cleaning drying, weighing and analysis and classification of grains; establishing or participating in any way in other companies, consortia or entities whose corporate purpose is directly or indirectly linked, accessory or instrumental to the Company's purpose and management of its own assets.

(iii) CGG Trading Argentina S.A

A company with its headquarters in Buenos Aires, Argentina, established on May 28, 2012, focused on farming in all its stages, from seeds and/or planting, harvesting, packing and/or separation of products, importing, exporting and storage on its own account or of third-parties of goods, merchandize, fruit and products. The Company may carry out manufacturing and processing activities of agricultural products, fertilizers and byproducts of raw materials in general and agricultural pesticides, as well as operating in the marketing, buying and selling, exporting, importing, representing and consigning agricultural products, mainly cereals and oilseeds, vegetable grains and their byproducts, agricultural inputs, seeds and grains, fertilizers, raw materials, agricultural products and pesticides. It may also exploit these activities as an agent, representative or broker of agricultural producers.

c. Belarina Alimentos S.A.

A company with its headquarters in the city of Cuiabá, Mato Grosso, with a stake acquired in November 30, 2013, dedicated to the milling, further processing, trading, importing and exporting of cereals in general and ancillary services for the road transport of general freight (shipping logistics or transporters' agent), and may, therefore, carry out all operations directly or indirectly related to its corporate purpose, including holding interests in other companies or similar businesses, observing legal limitations.

3 Preparation basis

a. Statement of Conformity (with respect to IFRS standards and the standards of the Accounting Pronouncements Committee - CPC)

The present financial statements include:

- The consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and, also, in conformity with accounting practices adopted in Brazil (BR GAAP - Brazilian Generally Accepted Accounting Principles); and

- The individual financial statements of the parent company prepared in accordance International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and, also, in conformity with accounting practices adopted in Brazil, BR GAAP (Brazilian Generally Accepted Accounting Principles).

The review of technical pronouncement No 7 approved in December 2014 changed the CPC 35, 37 and CPC 18 and authorized the use of the equity accounting method in the separate financial statements under IFRS, eliminating the difference between Brazilian GAAP and IFRS.

The issuing of the individual and consolidated financial statements was authorized by the Board of Directors on March 2, 2016.

b. Measurement basis

The individual and consolidated financial statements were prepared based on historical cost with the exception of the following material items recognized in the balance sheets:

- Non-derivative financial instruments stated at fair value through profit or loss.
- Derivative financial instruments stated at fair value;
- Biological assets stated at fair value less selling expenses; and
- Inventories - calculated at fair value through mark-to-market.

c. Functional currency and presentation currency

These individual and consolidated financial statements are presented in Reais, the Company's functional currency, except for the subsidiary CGG Trading S/A whose fuctional currency is the US dollar.
All the financial information is presented in thousands of Reais, except when indicated otherwise.

d. Use of estimates and judgments

The preparation of individual and consolidated financial statements in accordance with IFRS and CPC standards requires that Management makes judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods that are affected.

The information on critical judgments referring to the accounting policies adopted that have an effect on the amounts recognized in the individual and the consolidated financial statements is included in the following notes:

- **Note 7 -** Inventories;
- **Note 19 -** Deferred taxes; and
- **Note 21 -** Financial instruments.

The information on uncertainties on assumptions and estimates that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes to the financial statements:

- **Note 9 -** Biological assets;
- **Note 13 -** Review of the useful life of property, plant and equipment;
- **Note 15 -** Valuation of deliverable goods;
- **Note 19 -** Deferred taxes; and
- **Note 21 -** Financial instruments.

e. Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values for financial and non-financial assets and liabilities.

The Group has established a control framework related to the measurement of fair value. This includes an assessment team that has overall responsibility for reviewing all significant fair value measurements, including the Level 3 fair values. The team reports directly to the CFO.

The evaluation team regularly reviews significant unobservable inputs and valuation adjustments. If the information of third parties such as dealer quotations or pricing services, is used to measure the fair values, then the evaluation team reviews the evidence obtained from third parties to support the conclusion that these assessments meet CPC/IFRS requirements, including the level in the fair value hierarchy in which these assessments are classified.

Significant valuation issues are reported to the Group's Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as much as possible. The fair values are classified into different levels in a hierarchy based on the information (inputs) used in the valuation techniques as follows .

- **Level 1:** (unadjusted) prices quoted on active markets for similar assets and liabilities
- **Level 2:** inputs, except the prices quoted in Level 1, which are observable for the asset or liability, directly (prices) or indirectly (derived from prices)
- **Level 3:** inputs, for the assets or liabilities, which are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the period of the financial statements in which the changes occurred.

Additional information on the assumptions used in measuring fair value is included in the following notes:

- **Note 7 -** Inventories;
- **Note 9 -** Biological Assets and;
- **Note 21 -** Financial Instruments;

Biological Assets

The Company's biological assets are represented by soybean and corn plantations on the Tropical and Fronteira Farms and by the cotton plantation on Fronteira Farm. Fronteira and Tropical Farms are located respectively in the States of Mato Grosso and Piauí. The Company's balance of biological assets consists of the cost of preparation of a harvest and of the difference in the fair value on the cost of preparation, so that the balance of biological assets as a whole is recorded at fair value. The methodology used to calculate the fair value was based on revenue less total harvest expenses multiplied by the percentage of evolution of the plantation.

Also, the Company records its herd of cattle of the Maria da Cruz Farm in the group of biological assets at fair value less selling expenses.

Inventories

Inventories are measured at fair value less selling costs, at market price ("Mark to market") according to the commodities and markets on which the Company and its subsidiaries operate. To calculate the fair value, the Company uses as a reference the quotation and indexes published by public sources and related to the products and active markets where it operates. Changes in the fair value of inventories are recognized in the income statement.

Other non-derivative financial liabilities

The fair value, determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted by the market rate of the interest verified on the presentation date of the financial statements.

Derivative financial instruments

The fair value of forward exchange contracts is based on the listed market price, if available. The fair value of derivative instruments for hedging currency and interest rates consists of calculating the future value based on the contractual terms and determining the present value based on market curves, extracted from the database of Bloomberg and BM&F.

If a listed market price is not available, the fair value is estimated discounting the difference between the contractual forward price and the current forward price for the residual maturity period of the contract using a risk free interest rate (based on government bonds) - see note 21.

Loans and financing

The fair value, which is determined for disclosure purposes, is calculated based on the present value of principal and future cash flows, discounted at the market interest rate determined on the date of the financial statements.

4 Significant Accounting Policies

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

a. Consolidation basis

(i) Subsidiary

The financial statements of subsidiaries are included in the consolidated financial statements as from the date on which the control begins until the date on which the control ceases to exist. The accounting policies of subsidiaries are aligned with the policies adopted by the Company.

In the Parent company's individual financial statements the financial information of the subsidiary is recognized according to the equity accounting method.

(ii) Transactions eliminated upon consolidation

Intergroup balances and transactions, and any income or expenses resulting from intergroup transactions are eliminated in the preparation of the consolidated financial statements. Unrealized gains, if any, resulting from transactions with subsidiaries recorded through the equity accounting method are eliminated against the investment in proportion to the Company's interest in the subsidiaries. Unrealized losses, if any, are eliminated in the same way as the unrealized gains, but only to the extent that there is evidence of impairment.

Description of the main consolidation procedures

- Elimination of asset and liability account balances between the consolidated companies;
- Elimination of the parent company's interests in the shareholders' equity of the direct and indirect subsidiaries.
- Elimination of the income and expense balances, as well as unearned income arising from transactions between the companies. Unrealized losses are eliminated in the same way, but only when there is no evidence of problems for recovery of the related assets;

(iii) Jointly controlled operations

A jointly controlled operation is an operation where each entrepreneur uses his own assets for purposes of carrying out joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities incurred during the course of the activities of the joint operation, the expenses incurred by the Group and its share in the revenue generated by the joint operation.

(iv) Non-controlling interest

According to CPC 15 and 19 and IFRS 3.19, any non-controlling interest will be measured in the acquired company by the proportional share in the identifiable net assets on the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in loss of control, are recorded in the accounting as equity transactions.

b. Foreign currency

(i) Transactions in foreign currency

Transactions in other currencies (other than the functional currency) are translated into the respective functional currencies of the Parent company and its Subsidiaries at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in other currencies on the presentation date are retranslated into the functional currency at the exchange rate calculated on that date. The foreign exchange gains and losses resulting from translation exchange rates at the end of the year related to monetary assets and liabilities in currencies (other than the functional currency) are recognized in the income statement as monetary and exchange variations, net.

(ii) Operations abroad

The assets and liabilities of operations abroad are translated into Reais at the exchange rates verified on the presentation date. The income and expenses of foreign transactions are translated into Reais at the average exchange rates calculated in the period. The differences in foreign currencies are recognized in the income statement, as the functional currency of the foreign transaction is the Real.

These exchange variations are recognized under income or losses in the individual financial statements of the parent company or of the subsidiaries.

For the translations of transactions in U.S. dollars (USD) to the Company's functional currency (Real R$) the following exchange rates were used for both consolidated and for the parent company:

	Average rate for the year		**Spot rate**	
	2015	**2014**	**2015**	**2014**
R$ / USD	3.3326	2.3692	3,9045	2.6559

c. Financial instruments

(i) Non-derivative financial assets

The Company and its subsidiaries recognize the other non-derivative financial assets initially on the date on which they are originated. All other financial assets are recognized initially on the date of the negotiation on which it becomes one of the parties to the contractual provisions of the instrument.

The Company and its subsidiaries cease to recognize a financial asset when the contractual rights to the cash flows of the asset expire, or when they transfer the rights to receipt of the contractual cash flows on a financial asset in a transaction where, essentially, all the risks and benefits of ownership of the financial asset are transferred. Eventual interests that are created or withdrawn in the financial assets are recognized as an individual asset or liability.

The Company and its subsidiaries have the following non-derivative financial assets: financial assets stated at fair value through profit or loss, cash and cash equivalents and loans and receivables.

Financial assets stated at fair value through profit or loss

A financial instrument is classified at fair value through profit or loss if it is classified as held for trading and is designated as such at the time of initial recognition. The financial instruments are designated by fair value through profit or loss if the Company and its subsidiaries manage these investments and take the decisions for purchase and sale based on their fair value in accordance with the documented risk management and investment strategy. After initial recognition, the transaction costs are recognized in the income statement as incurred. Financial assets recorded at fair value through profit or loss are stated at fair value and changes in the fair value of these assets are recognized in the results for the year.

Financial assets recorded at fair value through profit or loss comprise cash, banks and financial investments and derivative financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash, bank accounts and short-term investments with immediate liquidity and maturity equal to or less than 90 (ninety) days and with a low risk of change in market value, and they are presented at cost plus interest earned, as presented in note 5.

Loans and receivables

Loans and receivables are financial assets with fixed or calculable payments that are not quoted on an active market. These assets are initially recognized at their fair value plus any attributable transaction costs. After initial recognition, loans and receivables are valued at their amortized cost through the actual interest method, less any loss through impairment.

Loans and receivables include accounts receivable and related parties.

(ii) Non-derivative financial liabilities

The Company and its subsidiaries recognize financial liabilities (including liabilities designated at fair value recorded in the income statement) initially on the date of trading on which it becomes a party to the contractual provisions of the instrument. The Company and its subsidiaries write off a financial liability when its contractual obligations are withdrawn or cancelled or have expired.

Financial assets and liabilities are offset and the net value is presented in the balance sheet when, and only when, the Company has the legal right to offset the amounts and has the intention of settling them on a net basis or of realizing the asset and discharging the liability simultaneously.

The Company and its subsidiaries have the following non-derivative financial liabilities: goods deliverable, accounts payable to suppliers, loans and financing, related parties and other accounts payable.
These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at the amortized cost using the actual interest method, except for the products to be delivered, which, given their nature and specificity, are valued at fair value through profit or loss.

(iii) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value; attributable transaction costs are recognized in the income statement when incurred. Subsequent to initial recognition, the derivatives are stated at their fair value and the changes in fair value are recorded in the income statement.

(iv) Cash flow hedges

As established in Section 72 of CPC 38/IAS 39, in 2013 the Company opted to use non-derivative financial instruments for hedge accounting, designating the foreign currency debts for hedging exchange risk, which hedge future exports and are classified as cash flow hedge The effective portion of derivative and non-derivative financial instruments designated for hedge accounting to hedge future sales is recorded in the balance sheet under “equity valuation adjustments” in shareholders’ equity and recorded in the income statement, under “Net income from sales” at the time of recognition of the hedged sale. The ineffective portion is recorded as a financial result in the period in which it occurs.
At the time of the initial designation of the hedge, the Company formally documents the relationship between the hedge instruments and the hedged items, including the risk

management objectives and the strategy for conducting the hedge transaction, together with the methods that will be used to evaluate the effectiveness of the hedge relationship. The Company makes an assessment, not only at the start of the hedge relationship, but also continually, if there are expectations that the hedge will be "highly effective" in offsetting changes in the fair value or cash flows of the respective hedged items during the year for which the hedge is designated, and if the actual results of each hedge are within a bracket of 80 to 125 percent. For a cash flow hedge of a predicted transaction, the occurrence of the transaction has to be highly likely and should present exposure to changes in the cash flows that in the end could affect the reported net income.

In 2014, Management did not continue the use of "hedge accounting", recognizing in its shareholders' equity and income statement, the effects of the amounts taken in 2013.

(v) Share capital

Common shares are classified as shareholders' equity.

d. Biological assets

Biological assets, cultivation of crops and raising of livestock, are measured at fair value, less selling costs at the time of payment of taxes and marketing expenses and the cost incurred.

Changes in fair value less selling costs are recognized in the statement of income. Selling costs include all costs that are required to sell the assets, including transport expenses.

The fair value was determined by the discounted cash flow method. The discount rate used in the cash flows corresponds to the weighted average cost of capital of approximately 7.06% p.a., which is reviewed periodically by Management. Future prices were estimated based on future quotations of futures and commodities exchanges and the costs based on the Company's business plan.

Expenditure for cultivation are transferred to inventory at fair value, less the estimated selling expenses calculated on the date of harvest.

e. Inventories

The Company's inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the average cost principle and includes expenditure incurred in acquiring the inventories, production and processing costs and other costs incurred in bringing them to their existing location and condition.

The inventories of its subsidiaries, CGG S.A and CGG BV consist of commodities adjusted to market value ("mark to market") less selling costs. To calculate the fair value, the Company and its subsidiaries use as a reference the quotations and indexes published by public sources, related to the products and active markets where it operates. Changes in the fair value of inventories are recognized in the income statement.

f. Investments

In the Parent Company's financial statements, investments in subsidiaries are valued using the equity method.

Other investments that do not fit into the category above are valued at cost of acquisition, less a provision for devaluation, when applicable.

g. Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are stated at historical cost of acquisition or construction, less accumulated depreciation and accumulated losses from impairment, when necessary.

Gains and losses on the disposal of an item of property, plant and equipment are calculated through the difference between the funds originating from the disposal and the carrying value of the item of property, plant and equipment and are recognized in other operating income/expenses in the income statement.

(ii) *Subsequent costs*

Subsequent expenses are capitalized in the measure in which it is likely that future benefits associated with the expenses will be gained by the Company and its subsidiaries. Expenses for maintenance and recurring repairs are recorded in the income statement.

(iii) *Depreciation*

Items of property, plant and equipment are depreciated on a straight line basis in the income statement based on the estimated economic useful life. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date on which they are installed and are available for use, or in the event of assets built in-house, from the day on which the construction is finished and the asset is available for use.

The estimated useful lives of the acquisition of new items for the current year and the comparative period are as follows:

Buildings	25 years
Machinery and equipment	7 years
Furniture and fixtures	10 years
Pastures	10 years
Facilities	10 years
Vehicles	5 years
Aircraft	10 years

In a possible acquisition of used assets the remaining useful life of the asset is used to estimate its depreciation.

The depreciation methods, useful lives and residual values are reviewed at each closing of the financial year when adjustments are recognized as changes in accounting estimates, if there is any evidence presenting the need for an adjustment.

h. Intangible assets

The granting of the lease of 1 of the 4 lots of the Maranhão Grain Terminal (TEGRAM), which is valued at the cost of acquisition plus the amounts used in the consortium of the terminal is recognized as an intangible asset.
Also, intangible assets comprise the expenses with the acquisition of software, which is stated at the cost of acquisition less amortization expenses.

i. Decrease to recoverable value - Impairment

(i) Financial assets (including receivables)

A financial asset not stated at fair value through profit and loss is valued each presentation date in order to ascertain whether there is objective evidence that there may have been impairment (loss in its recoverable value). An asset has a loss in its recoverable value if objective evidence indicates that a loss has occurred after the initial recognition of the asset and that this loss had a negative effect on the projected future cash flows that can be reliably estimated.

Objective evidence that financial assets have lost value may include non-payment or late payment by a debtor, restructuring of the amount owed to the Group under conditions that the Company and its subsidiaries would not consider in other transactions, evidence that the debtor or issuer will enter into a process of bankruptcy, or the disappearance of an active market for a security. Additionally, for an equity instrument, a material or prolonged decline in its fair value below its cost is objective evidence of loss through impairment.

When evaluating impairment collectively, the Company and its subsidiaries use historical trends of the probability of default, of the term for recovery and of the amounts of loss incurred, adjusted to reflect management's judgment with respect to the assumptions, if the current economic and credit conditions are such that the real losses will probably be greater or less than those suggested by historical trends.

(ii) Non-financial assets

The book values of the non-financial assets of the Company and its subsidiaries, which are not inventories, are reviewed on each presentation date to verify if there is any evidence of loss in recoverable value (impairment). If there is evidence of impairment, then the recoverable value of the asset is estimated.

For the property, plant and equipment related to the farms, the Company reviewed the recoverability through reports issued by experts and did not identify evidence of losses in these assets.

The Management of the Company and its subsidiaries did not identify any evidence that would justify the need for impairment as of December 31, 2015.

j. Employee benefits

Short-term benefits for employees

Liabilities from short term benefits for employees are stated on an undiscounted basis and are incurred as expenses as the related service is provided.

The liability is recognized at the amount expected to be paid on the bonus plans in cash or short-term profit-sharing if the Company has a legal or constructive obligation to pay this amount as a result of a past service provided by the employee, and if the liability can be estimated reliably.

k. Provisions

A provision is recognized, as a result of a past event, if the Company and its subsidiaries have an obligation that may be reliably estimated and it is likely that economic resources will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk involved.

Current and non-current liabilities are stated at the known or calculable amounts, plus, when applicable, the corresponding charges and monetary and/or exchange variations incurred up to the balance sheet date.

l. Operating income

Income and expenses are recognized on the accrual basis.

The operating income from the sale of products in the normal course of activities is stated at the fair value of the consideration received or receivable. Operating income is recognized when there is convincing evidence that the most significant risks and benefits inherent to the ownership of the assets have been transferred to the buyer.

m. Financial income and expenses

Financial income comprises income from interest on invested funds and changes in the fair value of financial assets and liabilities valued at fair value through profit or loss. Income from interest is recognized in the income statement through the actual interest method.

Financial expenses comprise expenses with interest on loans, discount adjustments to present value, and changes in the fair value of financial assets and liabilities valued at fair value through profit or loss. Loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are stated in the income statement through the actual interest method.

n. Income tax and social contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus a surcharge of 10% on taxable income in excess of R$ 240.000 for income tax and 9% on taxable income for the social contribution on net income, and consider the offsetting of tax loss carry forward and the negative base of social contribution, limited to 30% of the annual taxable income.

The expense for income tax and social contribution comprises current and deferred income taxes. Current tax and deferred tax are recognized in income.

Current tax is the tax payable or receivable expected on the taxable income or loss for the year, at decreed or substantively decreed tax rates on the date of presentation of the financial statements and any adjustment to taxes payable with respect to prior years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the corresponding amounts used for taxation purposes.

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

When determining the current and deferred income tax, the Company takes into consideration the impact of uncertainties regarding the tax position taken and if the additional payment of income tax and interest has to be made. The Company believes that the provision for income tax in liabilities is adequate regarding all outstanding tax periods, based on its assessment of various factors, including interpretation of tax laws and prior experience. This assessment is based on estimates and assumptions which may involve a series of judgments on future events. New information may become available, which would lead the Company to change its judgment on the appropriateness of the existing provision; these changes will impact the income tax expense in the year they are made.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax liabilities and assets, and they are related to income taxes levied by the same tax authority on the same taxable entity.

Deferred income tax and social contribution assets are recognized for unused tax losses, tax credits and deductible temporary differences when it is likely that future taxable profits will be available against which they will be used.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced to the extent that their realization is no longer likely.

o. Determining the adjustment to present value

The item, products to be delivered, is comprised of annual payments with physical delivery of 651,173.80 bags of soybeans, as from February 2012, with final maturity in 2020. The balance is subject to the calculation of the present value of the installments payable. The present value of the debt from the acquisition of Fronteira Farm was calculated by the number of bags of soybeans to be paid per year multiplied by the future price for the next calendar year’s crop, thus reaching the future amount of each payment. The future value was brought to present value by the Interbank Deposit (ID) curve of the IGPM (General market price index) to obtain the interest rate in real terms to be discounted on a base calendar of 252 days. Therefore each future amount of payment is discounted at the rates calculated by the calculation of the interpolated interest curve and the number of working days until each maturity.

p. Statements of added value

The Company and its subsidiaries prepared individual and consolidated statements of added value in accordance with technical pronouncement CPC 09 - Statement of Added Value, which are presented as additional financial information to the financial statements prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS).

q. New rules and interpretations not yet adopted

A number of new standards and interpretations are effective for fiscal years beginning after January 1, 2016. The group have not been adopted in the preparation of these financial statements.The Company does not plan to adopt these standards in advance.

IFRS 9 Financial Instruments

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

IFRS 9 (2010 and 2009) is effective for periods beginning on or after January 1, 2018.

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or changes in existing pronouncements, corresponding to this standard.

5 Cash and cash equivalents

	Parent company		**Consolidated**	
	2015	**2014**	**2015**	**2014**
Cash	13	15	37	31
Bank balance	814	265	104.500	202.820
Financial investments	10.961	28.750	43.605	53.296
Cash and cash equivalents	**11.788**	**29.030**	**148.142**	**256.147**

The Company and its subsidiaries consider as cash equivalents the balances of cash and banks, financial investments with immediate liquidity and financial investments with maturity within 90 days (or a shorter term) as from the date of contracting.

Cash deposits consist of bank balances in current accounts.

The balances of financial investments are represented by fixed-income securities, substantially remunerated at 100% of the variation of the CDI-CETIP - Interbank Deposit Certificate, with daily liquidity and the possibility of immediately redemption with no penalty or loss of income.

6 Accounts receivable

	Parent company		**Consolidated**	
	2015	**2014**	**2015**	**2014**
Accounts Receivable short term	2.123	3.101	170.911	135.081
Accounts Receivable long term	2.088	-	11.482	-
Total	**4.211**	**3.101**	**182.393**	**135.081**

Sales of commodities on domestic and foreign markets are included in the amounts receivable.

The Company and its subsidiaries have no past history of significant problems with receipt from clients.

The Group’s exposure to credit, market and liquidity risk related to accounts receivables is disclosed in Note 21.

7 Inventories

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Agricultural Products (i)				
Inventory of Cotton	3.593	14.089	27.297	39.854
Inventory of Corn	1.028	1.493	163.486	63.729
Inventory of Wheat	-	-	15.942	20.416
Inventory of Soya	-	-	842	1.160
Inventory of Barley	-	-	-	13.109
Inventory of Beans/Sunflower seeds	-	337	-	337
Total Agricultural Products	**4.621**	**15.919**	**207.567**	**138.605**
Agricultural Inputs	23.935	26.000	23.935	26.000
Consumption materials	1.625	1.462	1.625	1.462
Agricultural Inputs and Consumption Materials	**25.560**	**27.462**	**25.560**	**27.462**
Total Inventories	**30.181**	**43.381**	**233.127**	**166.067**

(i) Inventories of agricultural products consist of the volume produced or received from purchases from producers. Inventories of tradable agricultural products are marked to market at their fair value at the end of each month and/or date of harvest, comparing their cost of acquisition, plus costs of storage, transportation and other costs for delivery to the end client.

8 Advances to suppliers

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Pre-Financing for Producers	1.278	-	186.840	107.726
Advance to suppliers	1.553	9.673	119.180	121.340
Purchase for future delivery	125	77	2.102	8.742
Advances to suppliers and others short term	**2.956**	**9.750**	**308.122**	**237.808**
Advances to suppliers and others long term	**-**	**-**	**40.535**	**-**
Total	**2.956**	**9.750**	**348.657**	**237.808**

Pre-financing and advances to suppliers are an integral and important part of the business of the Company and its subsidiaries in order to ensure the future purchase of agricultural products in order to maintain a competitive advantage. The amounts are defined by calculations based on the expected amount of product to be supplied, valued at market value at the time of the advance. The settling of accounts is carried out upon the end of the contract, taking as a basis the amount actually received calculated at market value and trading conditions.

The balance of advances to suppliers includes amounts related to the "take or pay" contract with T-Grão Cargo –Terminais de Granéis S.A. This agreement considers the services of warehousing and transport of 6 million tons of grain by 2018. The compensation of such advanced amounts, occurs based on the shipments.

9 Biological Assets

The Parent company’s biological assets comprise the cultivation and planting of soybeans, cotton and corn.

The Company also owns biological assets comprising live cattle. The animals classified in this group are intended for slaughter for production of unprocessed meat, whose life cycle on average is 3 years.

Assumptions for recognition of fair value of biological assets

Under BR GAAP - Biological Assets and Agricultural Products, the Company recognizes its biological assets at fair value following internal and external market assumptions in its calculation and with a discount rate of 7.06% based on the WACC:

	Parent company and Consolidated					
	Soybeans	**Cotton**	**Corn**	**Cattle**	**Total current**	**Total Non-current**
Balance at December 31, 2013	**39.825**	**5.616**	**1,710**	**2.053**	**49.204**	**3.911**
Expenditure on the preparation for plantation or cattle	73.336	28.022	17.608	1.800	120.766	26
Amortization of preparation for plantation or cattle	(63.955)	(30.066)	(15.426)	(2.282)	(111.729)	(101)
Reversal of fair value	(5,463)	(188)	29	678	(4.944)	(995)
Change in fair value	1.011	(1)	(21)	91	1.080	3.178
Balance at December 31, 2014	**44.754**	**3.383**	**3.900**	**2.340**	**54.377**	**6.019**
Expenditure on the preparation for plantation or cattle	81.459	19.317	16.987	2.392	120.155	539
Amortization of preparation for plantation or cattle	(82.694)	(20.048)	(17.410)	(2,201)	(122.353)	(845)
Reversal of fair value	(1.011)	1	21	(91)	(1.080)	(3.178)
Change in fair value	2.409	-	8	135	2.552	2.454
Balance at December 31, 2015	**44.917**	**2.653**	**3.506**	**2.575**	**53.651**	**4.989**

The expenditure on the preparation of the harvest and crops is represented by the costs with seeds, agricultural inputs, depreciation, labor and services applied to the crops.

Unit	**Location**	**Soybeans**	**Cotton**	**Corn**
Fronteira Farm	MT	10 Sep to 10 Apr	04 Jan to 10 Aug	02 Feb to 30 Jul
Tropical Farm	PI	29 Oct to 15 May	NA	12 Dec to 05 Jun

The parent company is exposed to a number of risks related to its plantations:

Regulatory risks, environmental and other

The Company is subject to laws and regulations in the country in which it operates. The company reduces the risks associated with environmental issues through procedures of best practices of cultivation and harvesting of its crops, covering risks against diseases and pests in plantations. The Company through the trading activity of its subsidiaries also runs the risk of supply and demand resulting from the fluctuation of prices and volume of sales of its crops aligned with the respective periods of maturation of the crops.

Regulatory and environmental risks

The Group has established environmental policies and procedures related to compliance with environmental laws and others. Management conducts regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Group is exposed to risks from the fluctuation of prices and volume of sales of its crops. When it is possible, the Group manages this risk aligning its harvest volume to the supply and demand of the market. Management regularly reviews the industry trend to ensure that the Group's cost and price structure is in accordance with the market and to ensure that projected harvest volumes are consistent with the expected demand. It is important to stress that as it addresses a company that produces there is a constant quest to reduce costs.

Climate risks and other

The Group's plantations are exposed to the risk of damage caused by climate changes, diseases, fire and other forces of nature. The Group has extensive processes in place aimed at monitoring and reducing these risks, including regular health inspections and analyses of the industry's diseases and pests.

10 Related parties

The balances of assets and liabilities at December 31, 2015 and 2014, related to transactions with related parties, result from transactions between the Company, subsidiaries, shareholders and other related parties.

The amounts related to the remuneration of key management personnel are represented by salaries and benefits in 2015 in the amount of R$ 1,682 in the parent company (R$ 1,733 in 2014) and R$ 9.344 in consolidated (R$11,669 in 2014).

	Parent company		**Consolidated**	
Related parties	**2015**	**2014**	**2015**	**2014**
Current assets				
GFN Agricola e Participações S.A (Advance Fronteira farm) (a)	16.620	18.662	21.075	18.662
Belarina Alimentos (c)	-	-	18.709	12.124
CGG Trading S.A (e)	2	4.422	-	-
Total current assets	**16.622**	**23.084**	**39.784**	**30.786**
Non-current				
GFN Agricola e Participações S.A (a)	6.463	10.190	6.463	10.190
Non-current	**6.463**	**10.190**	**6.463**	**10.190**
Total assets	**23.085**	**33.274**	**46.247**	**40.976**
Intercompany				
Current liabilities				
Fronteira Com Cereais e Rep Prod Agrop Ltda (b)	684	684	-	21.937
CGG Trading BV (d)	16.226	137.001	-	-
CGG Trading S.A (d)	-	291	-	-
Tropical Empreendimentos e Participações Ltda	1.402	58	-	-
Siqueira Empreendimentos e Participações Ltda	6.912	3.486	-	-
Total current liabilities	**25.224**	**141.520**	**-**	**21.937**
Non current CGG Trading BV (d)	**201.893**	**-**	**-**	**-**
Total non-current	**201.893**	**-**	**-**	**-**
Total Liabilities	**227.117**	**141.520**	**-**	**21.937**

	Parent company		Consolidated	
Related parties	**2015**	**2014**	**2015**	**2014**
Sales revenue				
CGG Trading BV	46.930	74.700	-	-
	46.930	**74.700**	**-**	**-**
Interest paid				
CGG Trading BV	14.595	9.814	-	-
CGG Trading S.A.	-	2.247	-	-
	14.595	**12.061**	**-**	**-**

a. Agreement for Purchase and Sale of Fronteira Farm

On February 11, 2011, the Company acquired Fronteira Farm from GFN Agrícola e Participações S.A., with short and long term financial commitments. Up till December 31, 2015, transfers of cash were made as advances with interest of 12% p.a., controlled in U.S. dollars, totaling R$ 23.083 (R$ 28,262 in 2014) to be amortized against Goods deliverable, pursuant to Note 15.

b. Transaction agreements through unincorporated joint ventures

On February 11, 2011, the Company established unincorporated joint ventures with Fronteira - Comércio de Cereais e Representação de Produtos Agropecuários Ltda., in order to acquire agricultural products for subsequent export. As a hidden partner, the Company transferred funds to the ostensible partner for the purchase of agricultural products. These funds have been repaid according to the realization of sales to the foreign market.

c. Commercial transactions

The invested company Belarina S.A. maintains a business relationship with the Group's companies with respect to the purchase and sale of wheat.

d. Agreement for the supply of agricultural products

As part of its trading policy, the Company has entered into supply and pre-financing agreements with the subsidiaries CGG Trading S.A. and CGG Trading B.V., for future delivery of their estimated production. The amounts contracted are set by fixing the selling price of the agricultural product for the volume until delivery.

When the price is set, it is calculated according to a contractual formula based on the price of the agricultural product on the Chicago Board of Trade ("CBOT") or the New York Board of Trade ("ICE"), depending on the product in question. The fixed price in dollars is settled at the end of the commitment period in Reais considering contractually pre-defined exchange rates.

The terms of the contracts subject the Company to the payment of a fine in the event of non-delivery of the committed volumes.

The pre-financing balances with CGG Trading S.A. and CGG Trading BV are controlled in US Dollars, plus interest of 8% p.a. up to December 31, 2015. In the same date, the parties have agreed to reduce the future interest, rate to 3,5% p.y. as well, to postpone the debt until 2022.

e. Dividends

CGG Trading S/A recorded as provisions dividends for Cantagalo based on 25% of the net income, in the amount of R$ 4,204 in 2013 and R$ 217 in 2012, that was paid in 2015.

11 Assets held for sale

In November 2015, was approved and signed the partial sale contract of the Tropical farm. Regardless of signing the sales contract, the administration's decision to sale such assets, allow the company to reflect it in the balance sheet, reclassifying it at the cost value from fixed assets to the current assets in the account denominated assets held for sales, as described below:

	Parent Company		**Consolidated**	
	2015	**2014**	**2015**	**2014**
Assets held for sale	5.725	-	97.804	-

We emphasize that the recognition of revenue and capital gain on the sale, will only be recognized in the balance sheet and income statement when the full compliance with the contractual conditions clauses and consequently, the business confirmation. See further details in Note No 26 - Subsequent events.

12 Investments

	Parent company		**Consolidated**	
	2015	**2014**	**2015**	**2014**
Interest in subsidiaries	650.341	516.616	-	-
Stakes in jointly controlled subsidiaries	-	22.230	-	22.230
Others investments	4	4	70	4
Total	**650.345**	**538.850**	**70**	**22.234**

The Company recorded a loss of R$ 12.499 (loss of R$ 66.733 in 2014) from equity accounting of the subsidiaries CGG Trading S.A., Tropical Empreendimentos e Participações Ltda and the jointly controlled subsidiary Belarina Alimentos S.A., in accordance with the statement below:

Investments	**CGG Trading S.A**	**Tropical Empreendimentos e Participações Ltda**	**Siqueira Empreendimentos e Participações Ltda**	**Belarina Alimentos S.A**	**Total**
Shareholders' equity at December 31, 2013	**77,191**	**75,135**	**233,671**	**41,140**	**427,138**
Ownership percentage	56,87%	100%	100%	50%	
Capital payment	11.548	-	-	4,800	16.348
Change in interests in subsidiaries	139.042				139.042
Accumulated translation adjustments	8.881	-	-	-	8.881
Comprehensive results	14,170	-	-	-	14,170
Equity accounting results	(46.371)	(81)	3,430	(23,710)	(66.732)
Shareholders' equity at December 31, 2014	**204.461**	**75,054**	**237,101**	**22.230**	**538.846**
	-				
Ownership percentage	**56,87%**	**100%**	**100%**	**50%**	
Capital increase	-	49.909	**-**	**-**	**49.909**
Accumulated translation adjustments	93.819	**-**	**-**	**-**	**93.819**
Equity accounting results	(14.495)	**1.102**	**3.390**	**(2.496)**	**(12.499)**
Provision	**-**	**-**	**-**	**(19.734)**	**(19.734)**
Shareholders' equity at December 31, 2015	**283.785**	**126.065**	**240.491**	**-**	**650.341**

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	Interest	**Current assets**	**Non-current assets**	**Total Assets**	**Current liabilities**	**Non-current liabilities**	**Total Liabilities**	**Net assets**	**Income**	**Expenses**	**Income / loss**
2014											
CGG Trading S.A.	56,87%	921.935	296.688	**1.218.623**	415.704	438.882	**854.586**	**364.036**	3.028.518	(3.105.964)	**(77.447)**
Tropical Empr. e Part. Ltda	100%	59	74.995	**75.054**	-	-	**-**	**75.054**	845	(926)	**(81)**
Siqueira Empr. e Part. Ltda	100%	3.486	233.641	**237.127**	26		**26**	**237.101**	4.429	(1.000)	**3.429**
Belarina Alimentos S.A	100%	83.461	127.034	**210.495**	116.955	90.946	**207.901**	**2.594**	111.400	(135.110)	**(23.710)**
		1.008.941	**732.358**	**1.741.298**	**532.685**	**529.828**	**1.062.513**	**678.784**	**3.145.191**	**(3.243.000)**	**(97.809)**
2015											
CGG Trading S.A.	56,87%	610.569	373.535	**984.104**	554.439	145.880	**700.319**	**283.785**	2.570.067	(2.584.562)	**(14.495)**
Tropical Empr. e Part. Ltda	100%	1.402	124.663	**126.065**	-	-	**-**	**126.065**	1.465	(363)	**1.102**
Siqueira Empr. e Part. Ltda	100%	6.913	233.605	**240.518**	27	-	**27**	**240.491**	3.746	(356)	**3.390**
Belarina Alimentos S.A	100%	33.493	56.730	**90.222**	89.224	95.063	**184.287**	**-**	-	-	**(2.496)**
		652.377	**788.533**	**1.440.910**	**643.690**	**240.942**	**884.632**	**650.341**	**2.575.278**	**(2.585.657)**	**(12.499)**

Provision on Goodwill of Belarina

The company have decided to recognize a provision for impairment of the Belarina´s goodwill amounting R$ 19.732.

13 Property, plant and equipment

Parent company

	Land	Buildings	Machinery and equipment	Assets under Construction	Vehicles	Aircraft	Facilities	Furniture and fixtures	Pastures	Total
Balance at December 31, 2013	**10.674**	**19.699**	**39.448**	**37.688**	**4.381**	**1.243**	**593**	**1.020**	**-**	**114.746**
Acquisitions (i)	-	289	7.053	18.810	729	-	-	37	-	26.918
Disposals	(319)	(17.318)	(4.842)	1	(100)	-	(568)	(343)	-	(23.490)
Transfers	-	9.149	-	(9.149)	-	-	-	-	-	-
Transfers	-	(3)	-	(812)	-	-	-	-	-	(815)
Depreciation in the year	-	(662)	(3.669)	(125)	(646)	(86)	(25)	(95)	-	(5.309)
Balance at December 31, 2014	**10.355**	**11.154**	**37.990**	**46.413**	**4.363**	**1.157**	**0**	**619**	**-**	**112.051**
Acquisitions (i)	534	104	1.046	9.218	1.040	-	-	125	-	12.067
Disposals	(119)	-	(484)	-	(305)	(176)	-	-	-	(1.084)
Transfers	-	(1.949)	3.972	(2.023)	-	-	-	-	-	-
Transfers	-	(7.184)	(5.883)	(42.567)	-	-	-	-	-	(55.634)
Depreciation in the year	-	(730)	(5.202)	-	(978)	(81)	-	(113)	-	(7.104)
Balance at December 31, 2015	**10.770**	**1.395**	**31.439**	**11.041**	**4.120**	**900**	**0**	**631**	**-**	**60.296**

Consolidated

	Terras	Edificações	Máquinas e equipamentos	Bens em Construção	Veículos	Aeronaves	Instalações	Móveis e utensílios	Pastagens	Total
Balance at December 31, 2013	**310.947**	**19.818**	**40.090**	**50.099**	**5.138**	**1.243**	**874**	**1.453**	**382**	**430.044**
Acquisitions (i)	837	6.569	14.775	30.028	902	-	1.716	1.455	-	56.282
Disposals	(319)	(17.318)	(4.842)	1	(248)	-	(568)	(406)	-	(23.700)
Transfers	-	10.066	-	(10.066)	-	-	-	-	-	-
Transfers	-	(3)	-	(812)	-	-	-	-	-	(815)
Depreciation in the year	-	(958)	(3.840)	(200)	(893)	(86)	(122)	(489)	-	(6.588)
Adjusts on Functional currency	64	3.378	1.458		(13)		282	180		5.349
Balance at December 31, 2014	**311.529**	**21.552**	**47.641**	**69.050**	**4.886**	**1.157**	**2.182**	**2.193**	**382**	**460.572**
Acquisitions (i)	534	7.854	3.443	1.468	1.144	-	114	537	-	15.094
Disposals	(119)	-	(679)	-	(305)	(176)	-	(12)	-	(1.291)
Transfers	-	(1.949)	3.972	(2.023)	-	-	-	-	-	-
Transfers to other groups	(37.753)	(14.785)	(5.725)	(39.541)	-	-	-	-	-	(97.804)
Depreciation in the year	-	(1.548)	(6.289)	-	(1.142)	(82)	(167)	(1.489)	-	(10.717)
Adjusts on Functional currency	2.398	9.260	3.152	(67)	36	-	834	684	-	16.297
Balance at December 31, 2015	**276.589**	**20.384**	**45.515**	**28.887**	**4.619**	**899**	**2.963**	**1.913**	**382**	**382.151**

(i) During 2015 and 2014, the Company made significant investments acquiring assets and planting permanent crops, pastures, and building rural constructions and basic structures of the farms received as part of a capital payment.

a. Land

In 2012 the Company paid in part of its capital in land, originating from the shareholders: Cia de Tecidos Norte de Minas - Coteminas, Fazenda do Cantagalo Ltda. and GFN Agrícola e Participações S.A. amounting to a total of 78 thousand hectares (R$ 104,418) and purchased a farm in the city of Brasnorte - MT of 69 thousand hectares (R$ 201.414 - net of the present value), which is tied to the obligations described in note 15 – Goods deliverable.

As detailed in Note 26- Subsequent events, the company held the partial sale of the Tropical farm based in Piauí, and we are in phase to comply with the contractual conditions clauses, to conduct the formal transference and consequent recognition of the transaction´s result.

b. Buildings

The Group has as its main building, a property located in São Paulo, where its head office is located

c. Machinery and Equipment

It comprises a large and varied fleet of machinery such as tractors, harvesters and other kinds of agricultural equipment, as well as tools and other computer and communications equipment.

d. Assets under construction

They are represented by projects for expansion and optimization of the units productives, as well as advances for the purchase of property, plant and equipment: agricultural machinery and equipment and a warehouse for storage of agricultural products.

14 Intangible assets

	Parent company	
	Softwares and Licenses	Total
Balance at December 31, 2013	**3.531**	**3.531**
Additions	-	-
Disposals	(14)	(14)
Amortization in the year	(840)	(840)
Balance at December 31, 2014	**2.677**	**2.677**
Additions	-	-
Disposals	-	-
Amortization in the year	(838)	(838)
Balance at December 31, 2015	**1.839**	**1.839**

	Consolidated		
	TEGRAM Port of Itaqui	Softwares and Licenses	Total
Balance at December 31, 2013	**78.431**	**3.858**	**82.289**
Additions	69.378	68	69.446
Disposals	(525)	(4)	(529)
Amortization in the year	-	(951)	(951)
Adjusts on functional currency		20	20
Balance at December 31, 2014	**147.284**	**2.991**	**150.275**
Additions	27.252	777	28.029
Amortization in the year	(7.792)	(994)	(8.786)
Adjusts on functional currency	67.905	44	67.949
Balance at December 31, 2015	**234.649**	**2.818**	**237.467**

(i) The subsidiary CGG TRADING S.A participated in the bidding process for leasing for 25 years, renewable for another 25 years, of 4 lots of the Maranhão Grain Terminal (TEGRAM), where it was the winner of one of the lots, signing the contract on February 2, 2012. TEGRAM will enable the Company to obtain a competitive advantage in grain logistics in the North, Northeast and Northern Midwest of the country. The agreement signed has the following main clauses:

(a) The lease of Lot III of the Maranhão Grain Terminal (TEGRAM), in the port of Itaqui, State of Maranhão, involves the investment required for the construction, management, operation and maintenance of port facilities in order to store bulk grain for export.

(b) Lot III has an individual area of 22,550 m² and an equal interest in an area of joint use of 29,814 m² and reception and dispatch systems of 41,894 m².

(c) TEGRAM started the operator in april of 2015.

15 Goods deliverable

The balance of this account refers to the obligation for the credit purchase of Fronteira Farm, as follows:

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Current liabilities	36.786	23.658	36.786	23.658
Non-current liabilities	142.080	112.313	142.080	112.313
Total	**178.866**	**135.971**	**178.866**	**135.971**

On February 11, 2011, the company purchased Fronteira Farm of 69 thousand hectares in the city of Brasnorte-MT, for R$ 239,911, with the following form of payment:

a. Initial payment in the amount of R$ 8,500, made in two installments in October 2010 and January 2011;

b. Cash payment of the first installment in the amount of R$ 25,213 in May 2011, corresponding to 651,173.80 bags of soybeans;

c. Cash payment in advance in the amount of R$ 2,125 of the August 2011 installment;

d. Annual payment with physical delivery of 651,173.80 bags of soybeans, as from February 2012, with final maturity in 2020. The balance is subject to the calculation of the present value of the installments payable. The present value of the debt from the acquisition of Fronteira Farm was calculated by the number of bags of soybeans to be paid per year multiplied by the future price for the next year’s crop, thus reaching the future amount of each payment. The future value is brought to present value by the Interbank Deposit (ID) curve of the IGPM (General market price index) to obtain the interest rate in real terms to be discounted on a base calendar of 252 days. Therefore each future amount of payment is discounted at the discount rates calculated by the interpolated interest curve and the number of working days until each maturity.

Below is a summary of the account activity in the years:

Balance at December 31, 2013	**158.926**
Payments	(34.186)
Result of the year	11.231
Balance at December 31,2014	**135.971**
Payments	(32.688)
Result for the year	75.583
Balance at December 31,2015	**178.866**

The balancing entry of the initial adjustment to present value was made against property, plant and equipment whereas the updating to fair value for the year was recognized against the financial result.

The effect of the updating of the fair value, although appearing in the statement of income, will only have effect the company's cash upon the maturity and settlement of future installments.

16 Accounts payable to suppliers

The existing amount is due to the purchase of agricultural products, inputs, freight and other services, as follows:

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Agricultural inputs and products (i)	32.740	12.845	167.821	72.854
Freight (ii)	-	-	7.385	5.346
Other	1.580	2.002	1.848	6.798
Total	**34.320**	**14.847**	**177.054**	**84.998**

(i) The balance represents the recognition of obligations with suppliers, mainly related to the volume received of purchases made from the agricultural producers.

(ii) The freight contracts are an integral and important part of the Company's business and these freights were contracted and are reflected in this account basically to recognize the obligation of payment for reservation of space to ensure the future transport of agricultural products.

Information on the Group's exposure to currency and liquidity risks related to suppliers is disclosed in note 21.

17 Loans and financing

Loans and Financing	Currency	Guarantees	Year of final maturity	Weighted rates of interest	Parent company 2015	Parent company 2014	Consolidated 2015	Consolidated 2014
Current liabilities								
Advance on exchange contracts – ACC	USD	Promissory note	2016	2,72%	150.352	21.549	291.207	128.877
Prepayment	USD	Export contracts	2016	Libor + 3,35%	78.259	52.296	452.776	255.227
Line of Agricultural funding	BRL	Land/Production	2016	8,83%	-	50.023	7.254	52.692
Assumption of debt	BRL	Land	2016	7,96%	8.175	5.946	8.175	5.946
Margin line	USD	-	2016		-	-	10.158	14.278
Financing of the Northest	BRL	Promissory note	2016	3,53%	9.484	-	9.484	-
Finame	BRL	Machinery	2016	5,64%	1.692	1.694	1.692	1.694
Bank Credit Certificate (CCB)	USD	Machinery	2016	Libor + 4,81%	1.052	935	1.052	935
Bank Credit Certificate (CCB)	BRL	Machinery	2016	11,26%	206	62	65	62
Financing of the Midwest	BRL	Machinery	2016	8,50%	1.985	1.778	1.985	1.778
Short term lines	USD	Assignment of receivables	2016		-	-	276.608	-
Total current liabilities					**251.205**	**134.283**	**1.060.597**	**461.489**
Non-Current Liabilities								
Prepayment	USD	Export contracts	2017	Libor + 3,35%	78.090	106.236	267.241	478.769
Assumption of debt	BRL	Land	2025	7,96%	7.941	10.166	7.941	10.166
Financing of the Midwest	BRL	Machinery	2022	8,50%	2.941	3.486	2.941	3.486
Financing of the Northeast	BRL	Land	2025	3,53%	47.325	54.872	47.325	105.204
Bank Credit Certificate (CCB)	USD	Machinery	2018	Libor + 4,81%	1.150	1.449	1.150	1.449
Bank Credit Certificate (CCB)	BRL	Machinery	2019	11,26%	236	221	236	221
Finame	BRL	Machinery	2017	5,64%	2.881	4.562	63.924	4.562
Total non-current liabilities					**140.563**	**180.992**	**390.757**	**603.857**
Total loans and financing					**391.768**	**315.275**	**1.451.354**	**1.065.346**

(i) Covenants

The Company and its subsidiaries have some contractual obligations (covenants) arising from these funds, such as maintenance of certain financial and operating ratios. In December 2015, Management obtained a contractual clause of forgiveness (waiver) with which the debentures are to be charged on demand in 31 December 2015.

18 Contingencies

The company has no judicial proceedings of a civil, tax, labor or environmental nature outstanding at December 31, 2015 and 2014.

19 Income tax and social contribution

Deferred taxes arising from tax losses, negative bases of social contribution and temporary differences were recorded.

At the time of the analysis, for the purpose of determining the portion to be recorded, the management of the company and its subsidiaries used projections of results for the forthcoming years and evaluated the effective ability of realizing these credits, based on estimates of future taxable income.

The future prospects of the business and its projections of results are based on forecasts supported by management's expectations, therefore, they depend on variables on domestic and international markets and are subject to changes. These credits are held under non-current assets. The amounts are as follows:

Nature of the deferred taxes	**Parent company**		**Consolidated**	
Assets	**2015**	**2014**	**2015**	**2014**
Tax loss carry forward and negative basis	119.433	59.088	158.380	97.569
RTT (Transitional Tax Regime) adjustments:				
Mark to Market - outstanding contracts and inventories	(1.249)	(228)	(6.633)	(18.329)
Biological Assets	(278)	(572)	(278)	(572)
Income tax CGG Argentina	-	-	6.864	1.955
Temporary differences:				
Unrealized exchange loss	52.900	23.483	123.578	50.258
Other provisions	7.240	817	7.240	817
Non-current deferred tax assets	**178.046**	**82.588**	**289.150**	**131.698**
(-) Provision on deferred tax	**(19.549)**	**-**	**(19.549)**	**-**
Net non-current deferred tax	**158.497**	**82.588**	**269.601**	**131.698**
Deferred tax assets	158.497	82.588	275.921	150.047
Deferred tax liabilities	-	-	(6.320)	(18.349)

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Reconciliation of the actual rate				
Book (loss) before income tax and social contribution	(236.855)	(187.029)	(281.753)	(238.071)
Equity accounting results	12.499	66.733	2.497	23.710
Exchange variation on subsidiary	(63.302)	-	(63.302)	-
Hedge accounting effects	-	24.720	-	62.470
Adjusted net loss	**(287.658)**	**(95.576)**	**(342.558)**	**(151.891)**
Combined rate	34%	34%	34%	34%
Income tax and social contribution using the combined rate	97.804	32.496	116.470	51.643
Permanent exclusions/(additions)				
Translation	-	-	14.660	(2.609)
Other (Provisions) / reversals of provisions	(2.346)	(964)	(2.428)	(972)
Gross value	**95.458**	**31.532**	**128.702**	**48.062**
Effective rate	-33%	-33%	-38%	-32%
(-) Provision on deferred tax	(19.549)	-	(19.549)	-
Net value	**75.909**	**31.532**	**109.153**	**48.062**

Every month the Company and its subsidiaries monitor the achievement of these projections to make sure that the realization of taxes is occurring in accordance with the projections of profitability and that there is no need for reversal of any balance recorded.

According to these analyzes and projections, the Company and its subsidiaries forecast the generation of sufficient future taxable income to be offset by the credits projected in the previous table.

20 Equity (Parent company)

The subscribed and paid in capital of the company at December 31, 2015 is R$ 366.418, divided into 100,001,000 common shares, with no par value, as follows:

Acionistas	**2015**	**2014**
Cia de Tecidos Norte de Minas	31.609.708	31.609.706
Fazenda do Cantagalo Ltda.	23.859.811	21.494.273
GFN Agrícola e Participações S.A.	20.149.043	22.356.595
Agrícola Estreito S.A.	19.527.163	22.356.595
Valor Grains LLC	12.115.258	11.379.324
Coteminas International Ltd	1.935.510	-
Sojitz Agrícola Participações Ltda	5.747.184	5.747.184
Total	**114.943.677**	**114.943.677**

Profit reserves

Legal reserve
The legal reserve is established through allocation of 5% of the net income or remaining balance, limited to 20% of the capital and can only be used to increase capital or absorb accumulated losses.

Retained earnings
The profit reserve was established to record the withholding of the remaining balance of retained earnings in order to attend the project for business expansion established in the Company's investment plan.
The Company's bylaws do not provide for the distribution of minimum mandatory dividends, allowing the Board of Directors, prior approval, observing the Company's policies, provided that there are accumulated profits or reserves in the last accounting balance sheet.

21 Financial Instruments

Corporate risk management

Overview
The Company is exposed to various types of risks, such as financial (liquidity, market and credit), legal and operating risks, among others.

From a careful analysis of the risk matrix, the Company selects those with the greatest likelihood of occurrence and financial impact and monitors them periodically.

Among the priority risks are:

- Credit risk;
- Liquidity risk;
- Market risk and
- Operating risk.

Currently, the policy for corporate risk management adopts the following assumptions:

- All risks classified as "priority" are identified, analyzed and monitored;
- Capital usage limits are approved by the Board of Directors;
- All exposures are reported and measured with appropriate frequency;
- The risk management department monitors the exposure, the risks taken versus the pre-established limits, warns the business areas, the Risk Management Committee and the Executive Board of possible disqualification, and provides guidance on how to reduce exposure and orientation regarding the request for additional limits.

This note presents information on the Company's exposure to each of the abovementioned risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

Risk management structure

The Board of Directors plays a key role (i) in the development of a strong risk management framework, (ii) in the approval of the Corporate Risk Management Policy proposed by the Risk Management Committee and (iii) in the monitoring of compliance with this policy, checking the classification with the established global limits.

The Committee regularly reports to the Board of Directors on their activities while the Risk Management department reports to the Chief Executive Officer and Risk Management Committee.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set limits for the use of capital, risk controls and exposures and to monitor risks and adherence to pre-established limits. Policies and risk management systems were initially determined and are reviewed periodically to reflect changes in market conditions and in the Company's activities.

The Company, through its training and management rules and procedures, aims at developing a constructive, disciplined control environment, where all the employees understand their roles and obligations.

Risk Management Committee and Risk Management Department

The Risk Management Committee and the Risk Management department are responsible for implementing the Corporate Risk Management Policy.

The responsibilities of the Risk Management Committee and Risk Management Department can be described as follows:

- Plan, design and implement the Corporate Risk Management (ERM) process for the entire Group;

- Map in an organized way the main corporate risks, describing them objectively and estimating the impacts that may affect the outcome of business; These groups are divided into Market Risk, Credit Risk, Operating Risk and Business Risk;

- Propose specific forms of treatment for each type of risk, i.e. provide solutions for taking, transferring, reducing or eliminating the risk according to the company's interest;

- Define, once a year, jointly with senior management the priorities for implementation according to impact and probability of occurrence (risk matrix);

- Create Risk reports appropriately for different audiences, for example, the board of directors so they understand the most significant risks to the business units to ensure they are aware of material risks and pre-established limits; and to individuals in general as a form of accountability for the department;

- The Risk Management Department should be one of the links between all areas of the company and senior management;

- Make the calculations for Market and Credit Risk and assist the company in establishing controls to mitigate the Strategic and Operating Risks;

- Create and review risk policies, stipulating procedures, responsibilities, exposure limits and financial impact limits. Contribute to the building of corporate governance in the company;

- Conduct the control of insurance, intermediating dealers and operational teams (trading, logistics and agriculture) in contracting insurance, control of claims and more specific studies (crop insurance, fleet insurance, civil liability, "Directors & Officers" and Credit, amongst others);

- Relate with internal and external auditors with respect to the processes of this department.

- Contribute with the Controllers' department with respect to the Notes to the financial statements when related to financial instruments;

- Support and train staff for building awareness and a risk culture within the organization.

Credit risk

Credit risk is the risk of financial loss for the company if a client or counterparty in a financial instrument fails to fulfill its contractual obligations, which arise mainly from the Company's trade receivables, investment securities and delivery of the expected volume.

(i) **Trade accounts receivable:** The Company and its subsidiaries are subject to credit risk. Management seeks to mitigate credit risk through a strict credit policy, selection of clients, monitoring of the financing terms of sales per business segment and individual credit limits. These procedures are adopted to minimize possible risks of default in their trade accounts receivable. The Company operates in the cotton, soybean, corn and wheat segments. For clients on the domestic market the average period for receipt is twenty (20) days. With respect to accounts receivable from the foreign market, around 95% of the clients pay in the form of Cash Against Documents, i.e. the documents are released to the customer so that he can unload the goods only after payment of the obligation. Customers who do not operate in this mode pay through a letter of credit opened by prime banks.

(ii) **Guarantees:** Guarantees are provided on the raising of lines of bank financing needed to maintain the cash balance of the Company and its subsidiaries, however there are guarantees received and assigned to the related party.

(iii) **Purchase contracts with unrelated suppliers:** The Company is subject to risks of default on the delivery of products linked to the fixed price purchase contracts of producers and trading companies not associated with the group.

Liquidity risk

Liquidity risk is the risk where the Company is going to encounter difficulties in complying with its obligations associated with its financial liabilities that are settled with immediate payment or with another financial asset. The Company's approach to managing liquidity is to ensure sufficient liquidity to meet its obligations by the due date under normal and stress conditions without causing losses or a risk of damaging the Company's reputation.

The Company and its subsidiaries work aligning availability and generation of funds in order to comply with their obligations in the agreed-upon time frames.

Market risk

Market risk is the possibility of financial losses that the Company is exposed to, arising from changes in commodity prices, exchange rates and interest rates. The objective of market risk management is to control and monitor all exposures to these risks so that they stay within acceptable parameters, defined by the Board of Directors. The Company buys and sells derivatives and also complies with financial obligations in order to manage market risks. All these transactions are conducted within the guidelines established by the Risk Management Committee and are decided by the Board of Directors

(i) **Commodity price risk:** The Company uses commodity derivatives to minimize the variability of its result caused by the accounting recognition of assets and liabilities, rights and obligations at fair value, valued according to the prices of commodities quoted on International Exchanges (ICE and CBOT) and indices published by CEPEA (Center of Advanced Studies in Applied Economics) / ESALQ (Luiz de Queiroz College of Agriculture). The exposures to this type of risk are constantly updated, as a result of the normal course of the Company's business. Therefore, the management of this exposure occurs dynamically through derivative contracts for the purpose of making hedge adjustments according to new requirements. The use of these derivative contracts is monitored and based on risk limits previously established by the Board of Directors through the corporate risk policy. The Company is a producer of cotton, soybeans and corn. Approximately 10% of the raw material traded is produced by Cantagalo, while the other 90% comes from outside producers and other trading companies. The soybean, corn, wheat and cotton products are sold on the domestic and foreign market, and their selling price is composed by the prices of these commodities on the Chicago and New York exchanges and the local premium. This means that these are the portfolio's main risk factors. The net exposure between purchases and sales is managed through derivative financial instruments of cotton, soybeans and wheat (futures or OTC) referenced to the same Exchange and it is monitored through risk limits that are previously established by the Board of Directors through the corporate risk policy. Gains or losses arising from these hedge instruments are recorded in the income for the year.

(ii) **Currency risk:** The Company is subject to currency risk on purchases and sales of goods, future logistics costs or any monetary assets or liabilities denominated in foreign currency. The Company uses over-the-counter or exchange contracts to hedge its currency risk, with maturity of less than one year from the date of the financial statements. Where necessary these contracts are renewed upon maturity. Monetary assets and liabilities denominated in foreign currency are managed by their net exposure, through purchases and sales of foreign currency at spot rates or future rates (*forwards*), when necessary, for short term exposures.

(iii) **Interest rate risk:** The Company's debt is pegged to fixed and variable rates, therefore it is exposed to changes in interest rates. The exposure risk of the Interbank Deposit Certificate (CDI) is partially offset by financial investments. The objective of the management of the Company's total financial cost is to keep it in line with the market rate, considering entities of a similar size.

Operating risk

Operating risk is the risk of direct or indirect losses arising from a variety of causes associated with the Company's business processes, personnel, technology and infrastructure and external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior, other than credit, market and liquidity risks. The Company's objective is to monitor the potential operating risks to mitigate to the maximum the occurrence of financial losses and damages to its reputation and continuity of business as a going concern, thus seeking cost effectiveness and avoiding control procedures that are not effective.

Quantitative information

Capital management

Management's policy is to maintain a sufficient basis to maintain the investor's, the creditor's and the market's confidence. The main objective is the development of future business. The Company operates with a number of financial instruments, namely: financial investments, trade accounts receivable, accounts payable to suppliers and loans and financing. Operations with derivative financial instruments that are contracted to hedge against market volatility, as well as the operations for forward purchase and sale of products with other producers, trading companies and customers are also part of the portfolio of financial instruments. The following hedge instruments operations with Non-Deliverable Forwards (NDF), and commodity and currency futures are used for this purpose.

Credit risks

- **Exposure to credit risks** The maximum exposure to credit risk is substantially concentrated in the financial instruments below:

		Parent company		**Consolidated**	
	Note	**2015**	**2014**	**2015**	**2014**
Cash and cash equivalents	5	11.788	29.030	148.142	256.147
Accounts receivable	6	4.211	3.101	182.393	135.081
Advance to suppliers	8	2.956	9.750	348.657	237.808
Advance Fronteira Farm	10	23.083	28.853	27.538	28.853
Other receivable		4.995	4.974	9.046	5.912
Total		**47.033**	**75.708**	**715.776**	**663.801**

Financial investments can be spread over various financial institutions, considered by the market as prime banks. The Company's three most important customers are responsible for R$ 91.171 of the receivables at December 31, 2015 (R$ 69.712 at December 31, 2014) , and during these periods there was a change in relevance between the clients. The other financial instruments do not present significant concentrations of risk, except for trade accounts receivable, for which the company makes use of letters of credit or CAD (Cash Against Document) for hedging its portfolio.

- **Trade accounts receivable:** The maximum exposure to credit risk on the reporting date per geographical region for the trade accounts receivable presented above was:

	Consolidated	
	2015	**2014**
Domestic	40.296	52.922
Swiss	51.549	-
Turkey	37.057	-
Vietnan	-	29.047
Dubai	14.835	-
China	14.624	24.962
Korea	-	15.702
Saudi Arabia	-	10.948
United Kingdom	7.034	-
Japan	6.623	-
Cingapura	4.080	-
Egito	2.577	-
Other	3.718	1.500
Total	**182.393**	**135.081**

Liquidity risk

The contractual maturities of financial liabilities, including payment of interest incurred and excluding the impact of currency negotiation agreements, by the net position, are as follows:

	Consolidated				
Assets	**Fair Value**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
Cash and cash equivalents	148.142	148.142	-	-	-
Derivative financial instruments	92.810	92.810	-	-	-
Accounts receivable	182.393	182.393	-	-	-
Inventories	233.127	233.127	-	-	-
Advance to suppliers	348.662	348.662	-	-	-
Biological assets	53.651	53.651	-	-	-
Related Parties	46.247	39.784	6.463	-	-
Recoverable Taxes	123.099	73.024	50.075	-	-
Other receivable	9.046	4.337	4.709	-	-
Liabilities					
Loans and financing	(1.451.354)	(1.060.597)	(267.240)	(1.386)	(122.131)
Account payable to suppliers	(177.054)	(177.054)	-	-	-
Goods deliverable	(178.866)	(36.785)	(142.080)	-	-
Other accounts payable	(20.943)	(20.943)	-	-	-
Total	**(591.040)**	**(119.450)**	**(348.073)**	**(1.386)**	**(122.131)**

Market risk

(i) Commodity risk

	Fair value (R$ thousand) 2015			Fair value (R$ thousand) 2014		
	Up to 6 months	**More than 6 months**	**Fair Value**	**Up to 6 months**	**More than 6 months**	**Fair Value**
Forward contracts and inventory						
Cotton	58.084	-	58.084	23.651	-	23.651
Soybeans	53.374	-	53.374	22.556	-	22.556
Corn	(671)	5.785	5.114	(3.855)	(6.599)	(10.454)
Wheat	5.195	-	5.195	1.234	-	1.234
Barley	778	-	778	(226)	-	(226)
Goods deliverable	(36.786)	(142.080)	(178.866)	(23.658)	(112.313)	(135.971)
Futures (Forward) contracts						
Cotton	30	2.331	2.361	3.634	(911)	2.723
Soybeans	19.191	152	19.343	5.790	(139)	5.651
Corn	8.770	620	9.390	(726)	242	(484)
	107.966	**(133.192)**	**(25.227)**	**28.400**	**(119.720)**	**(91.320)**

The Company uses basically two categories of price instruments for control of the exposure of commodities:

(a) Future derivative contracts traded directly by the Company on the Stock Exchange (CBOT/ICE) or forward over-the-counter market with first tier financial institutions.

(b) Forward contracts traded directly with clients and suppliers.

The fair value of future derivative contracts on a stock exchange is equivalent to the market value for the reversal of these positions. The transactions carried out in a stock exchange environment have a need for availability of initial margins and the adjustments are made daily, according to the changes in the notional price. For OTC contracts, the measurement at fair value is given by the difference between prices fixed upon contracting and their respective market values, via public information. This measurement follows the usual market models and is calculated on a monthly basis both by the company and by banks that intermediate the transactions. For these contracts, there is no need for margin deposits. The impact on the Company's cash flow occurs only on the date of settlement. The measurement of the fair value of the forward contracts with clients and suppliers is made based on the difference between the fixed purchase or sale price and the market price on the base date. For determining the market prices, the same indicators of determination, i.e. quotations of the Chicago and New York exchanges are used.

- **Sensitivity analysis for commodity risk** The Company adopted three scenarios for the sensitivity analysis, where one is likely, presented below, and two that may present depreciation in the fair value of the Company's financial instruments. The likely scenario was defined internally by the Risk management department and represents the Company's expectations with respect to the changes in this indicator over the next 12 months. The possible and remote scenarios are those proposed by CVM instruction 475/08.

The methodology used was the delta MTM, i.e. the recalculation of the fair value with stress of each scenario on the market rate of December 31, 2015.

	Scenarios		
Commodity risk	**Likely**	**Possible**	**Remote**
Scenarios and price levels	**+12,5%**	**+25%**	**+50%**
Non derivatives	**56.424**	**109.619**	**216.009**
Derivatives	**(65.010)**	**(130.020)**	**(260.040)**
Total effect	**(8.586)**	**(20.401)**	**(44.031)**

Due to the seasonality of the behavior of the quotation of the commodities, this scenario is subject to changes during the year/harvest.

(ii) *Exchange risk*

Exposure to foreign currency: The company's exposure is mainly linked to the variation of the US dollar (USD).The subsidiaries CGG Trading S.A, CGG Trading B.V. and CGG Trading Argentina S.A. have adopted the US dollar as the functional currency of their business, and consequently, are exposed to the risk of variation of operations denominated in reais (Brazil) and pesos (Argentina). See exposure on the base date presented below:

	In dollars 2015	**In dollars 2014**
Assets	76.616	77.452
Liabilities	(113.489)	(88.579)
Gross balance sheet exposure	**(36.873)**	**(11.127)**

Foreign exchange derivative instruments: The company's foreign exchange exposure refers basically to the commitments of the subsidiary´s operation. The values below compose the notional balance presented above:

			In dollars
Type	**Counterparty**	**2015**	**2014**
Foreign exchange NDF	HSBC / New Edge / Votorantim / Santander	(144.401)	(67.875)
Total		**(144.401)**	**(67.875)**

Foreign exchange sensitivity analysis: The Company adopted three scenarios for the sensitivity analysis, where one is likely, presented below, and two that may present effects of deterioration in the fair value of the Company's financial instruments. The likely scenario was defined internally by the Risk management department and represents the Company's expectations with respect to the changes in this indicator over the next 12 months. The possible and remote scenarios are those proposed by actual legislation. The methodology used was delta MTM, i.e. the recalculation of the fair value with stress of each scenario on the market rate at December 31, 2015, less the amount already recognized and calculating the amount of the income by which the Company would be affected according to each scenario. The analysis considers that all the other variables, especially interest rates, are held constant.

	Scenarios		
	Likely	**Possible**	**Remote**
	+8%	**+25%**	**+50%**
Scenarios and price levels	**4,2172 BRL/USD**	**4,881 BRL/USD**	**5,8572 BRL/USD**
Assets	23.934	74.792	149.584
Liabilities	(35.452)	(110.788)	(221.576)
Derivatives	(45.109)	(140.964)	(281.928)
Total effect	**(56.627)**	**(176.960)**	**(353.920)**

Appreciation of the Real against the currencies above, at December 31, 2015, would have the same effect, however with the opposite effect on the currencies presented above, considering that all the other variables would remain constant.

(iii) Interest rate risk

On the date of the financial statements, the profile of the financial instruments remunerated by interest was:

(a) Fixed rate instruments: The Company does not record any fixed interest rate financial assets or liabilities at fair value through profit or loss, and it does not designate derivatives (interest rate swaps) as hedge instruments under a fair value hedge accounting model. Therefore, a change in the interest rates on the reporting date would not change the results.

(b) Variable rate instruments: The Group does not conduct sensitivity analyses for financial instruments linked to variable interest rates, since it considers the possible impacts are irrelevant for the Company’s financial statements.

		Parent company		**Consolidated**	
	Note	**2015**	**2014**	**2015**	**2014**
Fixed rate instruments					
Financial investments	5	10.961	28.750	43.605	53.296
Pre-Financing for Producers	8	1.278	-	186.840	107.726
Related parties	10	(204.032)	(108.246)	46.247	19.039
Loans and financing	17	(233.217)	(154.359)	(729.135)	(331.966)
Fixed rate exposure		**(425.010)**	**(233.855)**	**(452.443)**	**(151.905)**
Loans	17	(158.551)	(160.916)	(722.219)	(736.380)
Variable rate exposure		**(158.551)**	**(160.196)**	**(722.219)**	**(736.380)**
Total exposure to interest rate		**(583.561)**	**(394.771)**	**(1.174.662)**	**(885.285)**

Sensitivity analysis for interest rate risk

	Scenarios		
	Likely	**Possible**	**Remote**
Scenarios and price levels	**12,5%**	**25%**	**50%**
Short term	(984)	(1.958)	(3.879)
Long term	(16.413)	(30.824)	(56.336)
Total effect	**(17.397)**	**(32.782)**	**(60.215)**

Unrealized gains (losses) on derivative financial instruments:

The table below summarizes the amounts of the gains (losses) recorded at December 31 2015 and 2014 that affected the balance sheet and the amounts that affected the Company's accumulated results on those dates:

Derivative instruments	**Parent company**		**Consolidated**	
	2015	**2014**	**2015**	**2014**
Deposited margins	-	-	247	5
MTM on outstanding contracts	-	-	122.545	34.584
MTM on outstanding futures and NDFs	-	-	(29.982)	1.219
Total	**-**	**-**	**92.810**	**35.808**
Current assets	-	-	166.671	48.435
Current liabilities	-	-	(73.861)	(12.627)

Fair value versus book value

Considering the Company's predominant activity, a number of financial assets and liabilities are stated at their fair value or substantially at their fair value. Financial instruments stated at fair value are derivative financial instruments (assets and liabilities) and Products to be delivered. Additionally, and still considering the company's activities and the characteristics of the financial instruments, the following items present financial instruments at amounts that closely approximate their fair value, namely those recorded under cash and cash equivalents, Advances to suppliers, Other receivables, Accounts receivable, Accounts payable to suppliers and Other accounts payable.

Below we present the fair values of financial liabilities recorded at amortized cost and which present a substantial difference with respect to the fair value:

Parent company	**2015**		**2014**	
	Book value	**Fair value**	**Book value**	**Fair value**
Liabilities				
Liabilities at amortized cost				
Loans and financing (note 17)	(391.768)	(348.204)	(315.275)	(275.058)
Total Liabilities	**(391.768)**	**(348.204)**	**(315.275)**	**(275.058)**

Consolidated	**2015**		**2014**	
	Book value	**Fair value**	**Book value**	**Fair value**
Liabilities				
Liabilities at amortized cost				
Loans and financing (note 17)	(1.451.354)	(1.339.457)	(1.065.346)	(986.724)
Total Liabilities	**(1.451.354)**	**(1.339.457)**	**(1.065.346)**	**(986.724)**

Fair value hierarchy

The table below presents financial instruments recorded at fair value, using an evaluation method.

The different levels were defined as follows:

- **Level 1 -** (Unadjusted) prices quoted on active markets for similar assets and liabilities.
- **Level 2 -** Inputs, except quoted prices, included in Level 1 which are observable for the assets or liabilities, directly (prices) or indirectly (derived from prices);
- **Level 3 -** Assumptions, for assets or liabilities, which are not based on observable market data (unobservable inputs).

		Parent company			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	5	827	-	-	827
Financial investments	5	10.961	-	-	10.961
Inventories	7	-	30.181	-	30.181
Accounts receivable	6	-	2.123	-	2.123
Total Assets		**11.788**	**32.304**	**-**	**44.092**
Loans and financing	17	-	391.768	-	391.768
Goods deliverable	15	-	178.865	-	178.865
Total Liabilities		**-**	**570.633**	**-**	**570.633**

		Consolidated			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	5	104.537	-	-	104.537
Financial investments	5	43.605	-	-	43.605
Inventories	7	-	233.127	-	233.127
Accounts receivable	6	-	182.393	-	182.393
Derivative financial instruments	21	-	92.810	-	92.810
Total Assets		**148.142**	**508.330**	**-**	**656.472**
Loans and financing	17	-	1.451.355	-	1.451.355
Goods deliverable	15	-	178.865	-	178.865
Total Liabilities		**-**	**1.630.220**	**-**	**1.630.220**

Hedge accounting.

Hedge cash flow involving the Company's exports:
From mid-April 2013, the Company formally established hedge accounting relationships for the purpose of determining the possible fluctuations in the results due to the volatility of highly probable future income in US dollars arising from the sales of commodities. As a procedure, the exchange variation of the contracts of non-derivative financial instruments (debts in foreign currency) was designated for the cash flow hedge accounting.

To support the designations, the Company prepared formal documentation indicating how the designation of the hedge is aligned with the goal and strategy of the Group's Risk Management Policy, identifying the hedge instruments used, the hedged item, the nature of the risk to be hedged and showing the expectations of highly effective hedging.

The Company conducts ongoing evaluations of the prospective (reduced variability) and retrospective effectiveness (Dollar offset method) comparing the exchange rate variation of the hedging instruments with the exchange rate variation on the highly probable future exports. The hedge relationships established are considered as cash flow hedges, where gains and losses from exchange variations of derivative and non-derivative financial instruments do not immediately affect the Company's results, but only in the measure that the exports are made, thus resulting in greater alignment of the accounting results with the Company's risk management policy.

In 2014, the Management did not continue the use of "hedge accounting", recognizing the effects of values taken in 2013 in its shareholders' equity and income statement.

22 Operating income

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Gross income	196.470	124.043	4.671.059	3.070.947
Variation in hedge accounting	-	(2.759)	-	(2.759)
Sales taxes	(5.606)	(3.299)	(16.471)	(11.883)
Returns and discounts	(43.173)	(4.967)	(44.075)	(8.288)
Other income	-	-	10.366	11.636
Total net income	**147.691**	**113.018**	**4.620.879**	**3.059.653**

Breakdown of income per region

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Domestic market	35.842	20.175	159.959	142.784
China	-	80.726	2.799.503	1.473.012
Iran	-	-	238.428	-
Vietnam	-	-	234.211	181.817
South Korea	-	5.993	201.368	164.938
Tailandia	-	2.347	113.541	177.144
Indonesia	-	4.081	108.342	64.095
Taiwan	-	-	105.400	37.265
Japan	85.924	-	104.946	247
Egypt	-	3.499	103.053	287.360
Pakistan	-	-	73.387	-
Morocco	-	-	58.895	66.897
Netherlands	46.930	-	56.501	-
Malasia	-	1.479	46.968	40.114
Peru	-	-	38.144	-
Arab Emirates	-	-	35.906	36.047
Venezuela	-	-	30.553	41.828
Spain	-	-	11.859	92.674
Cingapura	10.560	-	10.560	-
Dinamarca	-	-	-	36.824
Other countries	17.214	5.743	139.535	227.901
Total gross income	**196.470**	**124.043**	**4.671.059**	**3.070.947**

23 Expenses by nature

	Parent company					
	2015			**2014**		
	Costs of goods sold	**General & Administrative Expenses**	**Total**	**Costs of goods sold**	**General & Administrative Expenses**	**Total**
Raw materials and products	(110.365)	-	(110.365)	(100.549)	-	(100.549)
Personnel expenses	(16.509)	(6.713)	(23.222)	(15.868)	(6.461)	(22.329)
Port Costs	(2.634)	-	(2.634)	(2.846)	-	(2.846)
Other costs	(4.940)	(1.128)	(6.068)	(3.053)	(2.433)	(5.486)
Expense for providing services	(322)	(4.238)	(4.560)	(173)	(4.647)	(4.820)
Fees and taxes	(258)	(1.390)	(1.648)	(302)	(344)	(646)
Leases	(1.291)	(194)	(1.485)	(1.999)	(252)	(2.251)
Subtotal	**(136.320)**	**(13.663)**	**(149.983)**	**(124.790)**	**(14.137)**	**(138.927)**
Depreciation	(7.027)	(76)	(7.103)	(4.926)	(303)	(5.229)
Amortization	-	(838)	(838)	-	(839)	(839)
Subtotal	**(7.027)**	**(914)**	**(7.941)**	**(4.926)**	**(1.142)**	**(6.068)**
Total	**(143.347)**	**(14.577)**	**(157.924)**	**(129.716)**	**(15.279)**	**(144.995)**

	Consolidated					
	2015			2014		
	Costs of goods sold	**General & Administrative Expenses**	**Total**	**Costs of goods sold**	**General & Administrative Expenses**	**Total**
Raw materials and products	(4.116.693)	-	(4.116.693)	(2.915.435)	-	(2.915.435)
Personnel expenses	(18.669)	(44.742)	(63.411)	(15.867)	(44.355)	(60.222)
Port Costs	(319.863)	-	(319.863)	(139.141)	-	(139.141)
Other costs	(322)	(14.782)	(15.104)	(174)	(12.667)	(12.841)
Expense for providing services	(14.867)	(10.312)	(25.179)	(4.538)	(8.715)	(13.253)
Fees and taxes	(282)	(4.074)	(4.356)	(306)	(2.173)	(2.479)
Leases	(1.424)	(1.330)	(2.754)	(1.999)	(2.471)	(4.470)
Result of Market positions	(97.168)	-	(97.168)	5.518		5.518
Total	**(4.569.288)**	**(75.240)**	**(4.644.528)**	**(3.071.942)**	**(70.381)**	**(3.142.323)**
Depreciation	(14.819)	(3.690)	(18.509)	(4.926)	(1.638)	(6.564)
Amortization	-	(994)	(994)	-	(947)	(947)
Subtotal	**(14.819)**	**(4.684)**	**(19.503)**	**(4.926)**	**(2.585)**	**(7.511)**
Total	**(4.584.107)**	**(79.924)**	**(4.664.031)**	**(3.076.868)**	**(72.966)**	**(3.149.834)**

24 Financial results

	Parent company		Consolidated	
	2015	**2014**	**2015**	**2014**
Financial income				
Interest on advances and pre-financing	-	-	4.386	3.324
Interest on financial investments	2.499	894	7.351	(1.985)
Total financial income	**2.499**	**894**	**11.737**	**1.339**
Interest on loans taken out	(14.949)	(8.461)	(52.722)	(32.181)
Interest - Related parties	(13.930)	(10.589)	1.090	1.266
Other financial expenses	(1.113)	(1.971)	(10.998)	(4.615)
Total financial expenses	**(29.992)**	**(21.021)**	**(62.630)**	**(35.530)**
Net financial expense	**(27.493)**	**(20.127)**	**(50.893)**	**(34.191)**
Result of goods deliverable	**(75.583)**	**(11.231)**	**(75.583)**	**(11.231)**
Net foreign exchange losses	**(92.287)**	**(39.591)**	**(91.086)**	**(35.336)**
Hedge accounting	**-**	**(20.547)**	**-**	**(45.463)**
Net Financial Result	**(195.363)**	**(91.496)**	**(217.562)**	**(126.221)**

Based on the applicability of paragraph 32 of IAS 21 (CPC 02) that makes possible to correct the distortion enabling the register of the exchange differences arising from the CGG Trading´s pre financing loans amounting R$63.302 in the specific account of the shareholders´ equity (other comprehensive income), and offsetting with the gain of the valuation adjustments on the share of investment in CGG Trading S.A. amounting R$93.821, as well, registered directly through the shareholders´ equity.

25 Insurance coverage

The Company and its subsidiaries adopt the policy of taking out insurance to cover risks that may impact their assets, arising from damages to property of any nature, and liabilities arising from lawsuits. The Company and its subsidiaries maintain insurance on vehicles, head offices, offices, warehouses, agricultural machinery, aircraft, engineering, transport and civil liability, the amounts of which are considered material for the Company.

At December 31, 2015, the Company has the following insurance coverage: R$ 54.997 (R$ 40.365 in 2014) for civil liability and R$ 326.995 (R$ 180.673 in 2014) for damages to property.

26 Subsequent event

a) Changes in the ownership participation

In January 2015, Agricola Estreito's shareholder sold part of its shares in the Company, equivalent to 2.45% shares, to Fazenda Cantagalo Ltda and Coteminas International Ltd., both also shareholders of Cantagalo General Grains SA.

Shareholder	**Capital**	**Shares**	**Ownership interest %**
Cia de Tecidos Norte de Minas - Coteminas	97.055.635,58	31.609.708	27,50
Fazenda do Cantagalo Ltda	49.353.118,25	23.859.811	20,76
Coteminas International Ltd	5.794.638,28	1.935.510	1,68
Agricola Estreito S/A	58.461.514,70	19.527.163	16,99
GFN Agricola e Participações S/A	60.323.333,89	20.149.043	17,53
Valor Grains LLC	37.689.894,59	12.115.258	10,54
Sojitz Agrícola Participações Ltda	57.740.000,00	5.747.184	5,00
Total	**366.418.135,28**	**114.943.677**	**100,00**

b) Partial Tropical Farm sale

In line with the Company´s original plan transforming and adding value for the lands, we are alert to opportunities to carry out such assets. With this, Cantagalo has being "harassed" by some companies to sell some agricultural areas and within these approaches, we inform that we performed the partial sale of our areas based in Piaui.

We are in a phase to comply with the contractual conditions and we expect the completion of this work and deed transference, occurs soon. The average internal rate of return achieved by the appreciation of these areas is above than 94% in four years, showing that this investment was quite profitable and confirms our confidence in our return strategy investments made within our business cycle. Considering the agreed sale price, we present below the future effects on our financial statements upon completion of the fulfillment of conditions precedent and subsequent formalization of the ownership transference, as follows:

	Parent company			**Consolidated**		
	BR GAAP	**Realization on effect**	**Balance**	**BR GAAP**	**Realization on effect**	**Balance**
Current assets	128.737	175.117	303.854	1.295.685	175.117	1.470.802
Non current assets	893.157	(88.975)	804.182	1.013.862	(88.975)	924.887
Total Assets	**1.021.894**	**86.142**	**1.108.036**	**2.309.547**	**86.142**	**2.395.689**
Current liabilities	351.430		351.430	1.369.242	0	1.369.242
Non current liabilities	484.536		484.536	539.157	0	539.157
Total liabilities	**835.966**	**0**	**835.966**	**1.908.399**	**0**	**1.908.399**
Capital	366.418		366.418	366.418	0	366.418
Accumulated loses	(348.583)	86.142	(262.441)	(348.583)	86.142	(262.441)
Equity valuation adjustment	168.093		168.093	168.093	0	168.093
Minority interest	0		0	215.220	0	215.220
Total shareholers equity	**185.928**	**86.142**	**272.070**	**401.148**	**86.142**	**487.290**

* * *

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