



INTERIM FINANCIAL INFORMATION

**Camil Alimentos S.A.
August 31, 2019**

COMMENTS ON FINANCIAL PERFORMANCE

INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED ON AUGUST 31ST, 2019

The financial data is presented in accordance to the International Financial Reporting Standards and represents the Company's consolidated results in million reais (R\$) for its second quarter of 2019 (2Q19 – Jun/2019 to Aug/2019), with comparisons referring to the second quarter of 2018 (2Q18 – Jun/2018 to Aug/2018; YoY Comparison), unless otherwise indicated.

Message from Management

During 2Q19, we advanced in the implementation of a solid base for the Company to achieve a new growth cycle. Results started to appear: we recovered growth in volumes with a quarter remarked by the increase in grains sales volume and volume recovery in our international operations. Improvements are gradual and humble, but we believe that it reinforces the execution of the Company's growth recovery strategy.

Net Revenue in the period presented growth due to a greater sales volume and to the incorporation of SLC Alimentos, amplifying our leadership in the Brazilian grains market. It is important to highlight that the Company continues to face a scenario in which price variations in each category do not reflect the variation in cost of raw material acquisition, influenced by the increase in Market competitiveness. These factors pressured margins and profitability in the period.

Through the means of additional measures to address this competitive scenario and accelerate our growth process, we developed projects and adopted short term measures to recover our competitive basis and efficiency in our operations as a result of: (i) costs and expenses reduction program, with the objective of recovering price competitiveness and adequate profitability; (ii) readjustment in our internal structure with the consolidation of an operations department, with the objective of improving our agility and operational efficiency; and (iii) reevaluation of the industrial units and logistics network distribution, reducing freight costs and implementing synergies obtained after SLC Alimentos acquisition.

We presented SG&A reduction in the quarter due to a more integrated operation, the execution of costs and expenses control plan, together with readjustments in our internal structure and logistics efficiency. Freight expenses presented sequential decrease, due to reduction initiatives which were implemented recently. The costs and expenses reduction program continues and we took additional measures to reestablish efficiency and profitability in our operations. Even with the reduction of costs and expenses, the Company continued investing in the improvements of our systems and support for technology corporate projects, including implementing a new sales system (SFA) and a new supply system (Ariba).

It is also worth highlighting in the sugar category that we launched in August 2019 our new industrial unit in Barra Bonita, in São Paulo countryside. The *Super Barra* unit, installed close to one of our main sugar supplier's plant represents Camil's 13th industrial unit in Brazil, accomplishing our refined retail sugar packaging process internalization project, a greatly featured Project since our IPO. The Project required approximately R\$86 million in investments and was launched with the objective of increasing competitiveness and efficiency in sugar.

We highlight that the beginning of production in *Super Barra* and a temporary interruption in raw material supply from our strategic sugar supplier impacted sugar sales volumes during the quarter. Even in this scenario, União brand was awarded a Sales Leader Prize for 2019/Nielsen reflecting the Sales Team's success in implementing the Company's strategy for brand and category. We developed a new design packaging for União brand that calls more attention to the customer and makes it easier to identify the products in any sales point, besides bringing a very attractive visual unit that values the brand. Through the means of vibrant colors, one for each product of the line, the brand's new purpose helps to communicate an important differential: the Market's most complete product portfolio for this category with iconic brands and Strong appeal to our consumers.

We understand that the current food Market scenario opens opportunities to accelerate our business' growth, and with leading positions in our categories and key markets, we aim to anticipate trends and new opportunities. We continue working in necessary improvements so that our results reflect our competitive advantages and growth strategies.

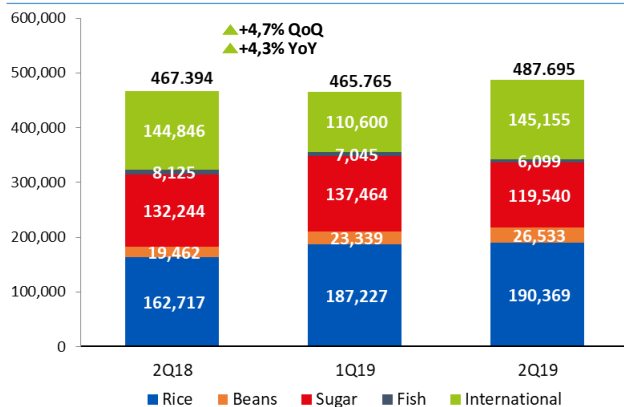
Luciano Quartiero
Chief Executive Officer

Flavio Vargas
Chief Financial and Investor Relations Officer

Results Highlights

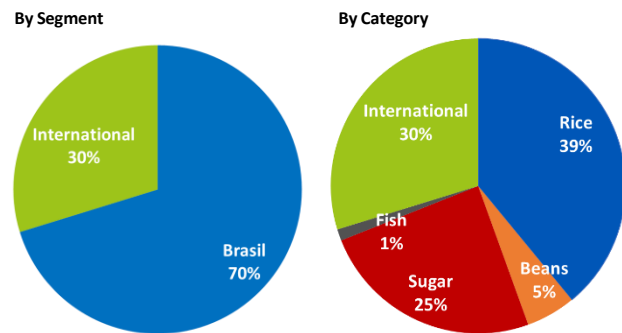
Operational Performance Highlights

Quarterly Volume Evolution (k ton)



Source: Company

Volume Breakdown (%)



Source: Company

Brazil

2Q19 was highlighted by **sequential and annual sales volumes increase in grains of +3.0% QoQ and +19.1% YoY** (-6.6% YoY excluding Namorado which joined Camil's portfolio after the acquisition of SLC Alimentos in Dec/18).

Rice

- Mainstream Brands



- ⊗ **Volume:** 190.4 k tons (+17.0% YoY; +1.7% QoQ)
 - ⊗ **Gross Price:** R\$2.48/kg (-0.5% YoY; +3.1% QoQ)
 - ⊗ **Net Price:** R\$2.19/kg (-0.7% YoY; +4.8% QoQ)
- Value Pricing Brands



- ⊗ **Sales Mix:** Sales decrease in Camil brand and value pricing brands YoY (ex-SLC Alimentos) and increase in Camil and Namorado sales QoQ
 - ⊗ **Market:** Average price reached R\$43.60/bag (+4.6% YoY e +4.4% QoQ)¹

Beans

- Mainstream Brands




- ⊗ **Volume:** 26.5 k tons (+36.3% YoY; +13.7% QoQ)
 - ⊗ **Gross Price:** R\$3.87/kg (+15.4% YoY; -23.5% QoQ)
 - ⊗ **Net Price:** R\$3.62/kg (+30.3% YoY; -21.3% QoQ)
- Value Pricing Brands




- ⊗ **Sales Mix:** Sales increase in Camil brand and value pricing brands and acquisition of SLC Alimentos in the YoY and QoQ comparisons.
 - ⊗ **Market:** Average price reached R\$143.55/bag (+41.0% YoY and -44.0% QoQ)²

Sugar

- Mainstream Brands




- ⊗ **Volume:** 119.5 k tons (-9.6% YoY; -13.0% QoQ)
 - ⊗ **Gross Price:** R\$2.14/kg (+1.5% YoY; +8.0% QoQ)
 - ⊗ **Net Price:** R\$1.89/kg (+2.9% YoY; +12.4% QoQ)
- Value Pricing Brands




- ⊗ **Sales Mix:** Reduction in sales of União refined and cristal sugar and value pricing brands YoY and QoQ
 - ⊗ **Market:** Average price reached R\$60.77/bag (+10.9% YoY and -11.3% QoQ)³

Canned Fish

- Mainstream Brands



- ⊗ **Volume:** 6.1 k tons (-24.9% YoY; -13.4% QoQ)
 - ⊗ **Gross Price:** R\$20.26/kg (+0.4% YoY; -1.3% QoQ)
 - ⊗ **Net Price:** R\$15.75/kg (+1.0% YoY; +8.2% QoQ)
- Value Pricing Brands



- ⊗ **Sales Mix:** Sales decrease in the value pricing brand (Pescador) and Coqueiro YoY and sales increase in Coqueiro QoQ
 - ⊗ **Market:** Continued struggle in local sardines fishing and improvement in local tuna fishing

International

- ⊗ Volume of 145.2 thousand tons (+0.2% YoY and +31.2% QoQ) in the quarter, with highlights to **sequential volumes recovery in Uruguay and sales increase in Peru and Chile (YoY and QoQ):**

Uruguay

- ⊗ **Volume:** 101.6 thousand tons (-2.3% YoY and +46.4% QoQ)
- ⊗ Sales recovery QoQ, still with decrease YoY driven by the decrease in production and sales in the period

Chile

- ⊗ **Volume:** 21.6 thousand tons (+8.4% YoY and +5.4% QoQ)
- ⊗ Continuous volume growth and preservation of positive profitability

Peru

- ⊗ **Volume:** 21.9 thousand tons (+5.1% YoY and +5.8% QoQ)
- ⊗ Gradual recovery of sales and expansion in number of sales points

¹Source: CEPEA; paddy rice's Indicator Esalq/Senar-RS 50kg

²Source: Agrolink; carioca beans' Indicator pouch 60kg

³Source: CEPEA; crystal sugar's Indicator Esalq-SP 50kg

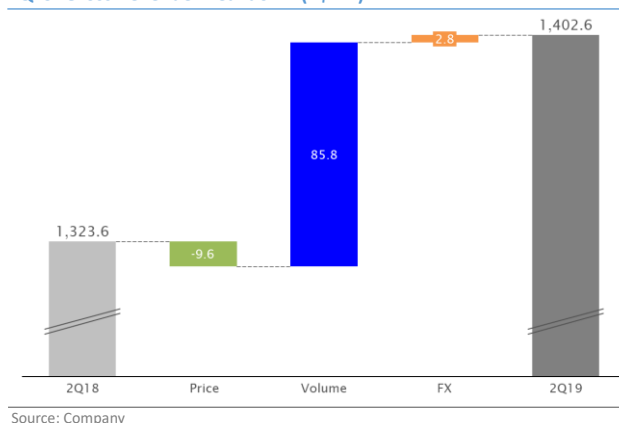
Financial Performance Highlights

Gross Revenue of R\$1.4 billion in 2Q19 (+6.0% YoY).

Net Revenue of R\$1.2 billion in the quarter (+6.8% YoY), with increase in **Brazil Food Segment** (+10.7% YoY), driven by the acquisition of SLC Alimentos, with increase in Grains sales.

This result was partially offset by the reduction in **International Food Segment** (-2.2% YoY).

2Q19: Gross Revenue Breakdown (R\$m)



Costs of Sales and Services of R\$939.9 million (+13.3% YoY), or 76.8% of net revenue in the quarter, due to the growth in **Brazil Food Segment** (+17.7% YoY) in the quarter, driven by the acquisition of SLC Alimentos, with sales increases in grains and increase in average Market prices of rice (+4.6% YoY)⁴, beans (+41.0% YoY)⁵ and sugar (+10.9% YoY)⁶. This result was amplified by the costs of sales and services in the **International Food Segment**, that reached R\$246.9 million (+2.5% YoY).

Gross Profit

Gross Profit reached **R\$283.7 million in the quarter (-10.3% YoY)** with a **23.2% margin (-4.4pp YoY)**, driven by the struggle in transferring cost increases to prices.

SG&A of **R\$227.7 million (+0.3% YoY)**, **18.6% of the quarter's net revenue (vs. 19.8% in 2Q18)**. The **reduction of -1.2pp YoY in the SG&A's impact in Net Revenue reflects a Company's better efficiency**, due to a control plan made in costs and expenses in the period. The impacts of freights expenses in net revenue presented a reduction of 0.7pp YoY, due to reduction initiatives implemented during the last year. The result was amplified by the increase in Brazil Food Segment (+2.3% YoY), mainly due to the acquisition of SLC Alimentos, offset by the reduction in the International Food Segment (-4.2% YoY).

Other operating revenues (expenses) in the quarter reached R\$0.8 million (vs. R\$19.1 million in 2Q18). We highlight that the comparative basis (2Q18) take into account the sale of La Loma in August 31, 2018.

EBITDA

EBITDA reached **R\$88.7 million (-25.6% vs. Adjusted EBITDA 2Q18)** with a **7.3% margin (-3.2pp YoY)**⁷

Net Financial Result reached an expense of **R\$18.2 million in the quarter** (vs. expense of R\$6.1 million in 2Q18) mainly due to the acquisition of SLC Alimentos, reduction of derivatives contracts and interest over leases in the period.

Income Tax and Social Contribution reached R\$3.3 million positive in the quarter (vs. expense of R\$23.8 million in 2Q18), impacted mainly by the exclusions referent to IOE Payment and ICMS subventions.

Net Income

Net Income reached **R\$40.1 million (-41.0% YoY)**, with **3.3% margin (-2.7pp YoY)**.

⁴Source: CEPEA; Paddy rice indicator Casca Esalq/Senar-RS 50kg

⁵Source: Agrolink; Beans indicator Sc 60kg.

⁶Source: CEPEA; Cristal sugar indicator Esalq-SP 50kg

⁷2Q18 excludes the non recurring effect of the sale of La Loma (Argentina)

Novas Normas - IFRS 16 e IFRIC 23

As of January 1st, 2019, the new norm, IFRS 16 – Leases (NBC TG 06 (R3) – Leasing Operations) and the new interpretation IFRIC 23 – Uncertainty over Income Tax Treatments, entered into effect.

The company presented as of 1Q19 financial results containing the effects of IFRS 16. The adjusted EBITDA by the IFRS 16 norm application, resulting of the increase in rental expenses converted into depreciation and interest, is of R\$10.9 million (R\$8.7 million in the Brazil Food Segment and R\$2.2 million in the International Food Segment), registering adjusted EBITDA of R\$77.9 million in the period.

Responsibility Exemption

Certain percentages and other amounts included in this document have been rounded to facilitate its presentation. Thus, numbers presented as total in some tables may not represent the arithmetic sum of the numbers that precede them and may differ from those presented in the financial statements. Operational data are not audited due to measures not recognized by IFRS or other accounting standards. This material contains future projections and expectations of the Company based on the perception of the Company's management about the current, known reality of its operations, and therefore, it is subjected to risks and uncertainties.

Interim Financial Information

Camil Alimentos S.A.

August 31, 2019
with Independent Auditor's Review Report



Camil Alimentos S.A.

Interim Financial Information

August 31, 2019

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A free translation from Portuguese into English of Independent Auditor's Review Report on Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 (R4) and IAS 34 and the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR)

Independent Auditor's Review Report on Interim Financial Information

To the
Shareholders and Board of Directors of
Camil Alimentos S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Camil Alimentos S.A. ("Company"), included in the Quarterly Information Form – ITR, for the quarter ended August 31, 2019, which comprise the statements of financial position as of August 31, 2019 and the respective statements of income, of comprehensive income, for the three and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the NBC TG 21 (R4) – *Demonstração intermediária* and in accordance with the international accounting rule IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the significant matters that could have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that might lead us to believe that the accompanying individual and consolidated interim financial information, included in the aforementioned interim financial information, were not prepared, in all material respects, in accordance with NBC TG 21 (R4) and the IAS 34 applicable to the preparation of Quarterly Information Form - ITR, and presented in accordance with the standards issued by the CVM.

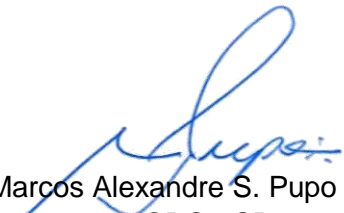
Other matters

Statement of value added

The interim financial information aforementioned includes the individual and consolidated statements of value added (SVA) for the six-month period ended August 31, 2019, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed in conjunction with the interim financial information review, with the purpose to conclude if they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in NBC TG 09 – *Demonstração do Valor Adicionado* (DVA). Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth in this standard and are consistent with the overall individual and consolidated interim financial information, taken as a whole.

São Paulo, October 10, 2019.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

Statements of financial position
August 31, 2019 and February 28, 2019
(In thousands of reais)

		Individual		Consolidated	
	Note	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Assets					
Current assets					
Cash and cash equivalents	3	467,569	312,027	529,662	365,302
Short-term investments	4	339,385	31,242	339,385	31,242
Accounts receivable	5	374,936	434,807	634,728	690,536
Advances to suppliers		8,372	9,468	8,372	9,832
Inventories	6	772,390	649,856	1,536,473	1,120,180
Financial instruments		-	350	-	511
Taxes recoverable	7	131,185	135,220	134,215	142,025
Related parties	14	15,325	5,704	44,324	24,249
Prepaid expenses		6,136	12,049	10,207	18,521
Assets held for sale		40,441	39,939	40,441	39,939
Other receivables		5,487	4,988	33,589	41,238
Total current assets		2,161,226	1,635,650	3,311,396	2,483,575
Noncurrent assets					
Financial investments	4	-	217	-	217
Taxes recoverable	7	245,039	147,903	245,039	245,621
Advances to suppliers		447	226	447	226
Inventories	6	17,269	19,379	23,539	24,261
Judicial deposits	15	9,236	7,759	10,694	9,861
Other receivables		2,416	2,539	12,956	15,975
		274,407	178,023	292,675	296,161
Investments	9	1,190,896	1,258,591	30,567	29,789
Property, plant and equipment	10	642,857	513,650	1,004,867	971,829
Intangible assets	11	271,945	230,353	660,035	655,306
Right-of-use asset	12	74,371	-	90,484	-
		2,180,069	2,002,594	1,785,953	1,656,924
Total noncurrent assets		2,454,476	2,180,617	2,078,628	1,953,085
Total assets					
		4,615,702	3,816,267	5,390,024	4,436,660

See accompanying notes.

Statements of financial position
August 31, 2019 and February 28, 2019
(In thousands of reais)

		Individual		Consolidated	
	Note	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Liabilities and equity					
Current liabilities					
Trade accounts payable		237,018	284,004	500,998	423,204
Loans, financing and debentures	13	596,370	254,079	915,379	514,114
Financial instruments	21	285	-	285	-
Lease liabilities	12	26,513	-	33,007	-
Advances from customers		9,276	6,475	9,276	6,708
Related parties	14	12,505	29,210	5,205	3,885
Interest on equity payable	14	15,000	-	15,000	-
Social obligations		18,420	17,104	24,559	24,074
Taxes payable		26,432	26,575	33,966	49,701
Provision for vacation, 13 th monthly salary and related charges		28,729	17,927	48,508	36,503
Special installment payment program		8,302	8,300	8,460	8,458
Other accounts payable		10,239	12,145	48,190	40,976
Total current liabilities		989,089	655,819	1,642,833	1,107,623
Noncurrent liabilities					
Loans, financing and debentures	13	1,149,448	788,855	1,226,441	914,745
Lease liabilities	12	48,886	-	59,023	-
Special installment payment program		20,204	26,882	20,676	27,433
Deferred taxes	17	60,524	89,756	85,653	128,811
Provision for contingencies	15	35,506	34,009	41,006	37,102
Accounts payable		52,523	50,901	52,523	50,901
Other accounts payable		1,058	930	3,405	930
Total noncurrent liabilities		1,368,149	991,333	1,488,727	1,159,922
Equity					
Capital	16a	950,374	950,374	950,374	950,374
(-) Share issue costs		(12,380)	(12,380)	(12,380)	(12,380)
Special goodwill reserve		70,510	70,510	70,510	70,510
(-) Treasury shares	16c	(70,290)	(45,234)	(70,290)	(45,234)
Granted stock options	16d	3,649	2,787	3,649	2,787
Income reserves	16 e f	901,935	871,015	901,935	871,015
Retained earnings		20,086	-	20,086	-
Other comprehensive income and deemed cost		394,580	332,043	394,580	332,043
Total equity		2,258,464	2,169,115	2,258,464	2,169,115
Total liabilities and equity		4,615,702	3,816,267	5,390,024	4,436,660

See accompanying notes.

Statements of income
Three and six-month periods ended August 31, 2019 and 2018
(In thousands of reais, except earnings per share, in reais)

	Note	Individual		Consolidated		Individual		Consolidated	
		03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018	06/01/2019 to 08/31/2019	06/01/2018 to 08/31/2018	06/01/2019 to 08/31/2019	06/01/2018 to 08/31/2018
Sales and service revenue, net	18	1,831,030	1,503,866	2,460,682	2,150,002	888,111	802,218	1,223,555	1,145,638
Cost of sales and services	19	(1,439,869)	(1,114,576)	(1,890,214)	(1,570,584)	(697,628)	(590,756)	(939,895)	(829,500)
Gross profit		391,161	389,290	570,468	579,418	190,483	211,462	283,660	316,138
Operating income (expenses)									
Selling expenses	19	(224,106)	(192,744)	(309,978)	(287,497)	(102,317)	(101,668)	(148,767)	(153,413)
General and administrative expenses	19	(112,304)	(106,924)	(156,194)	(142,399)	(56,762)	(54,499)	(78,885)	(73,530)
Equity pickup	9	32,981	49,082	(2,271)	(236)	14,630	35,352	(1,837)	650
Other operating income (expenses)		300	1,410	2,190	16,981	(128)	2,804	804	19,129
Income before finance income and costs		88,032	140,114	104,215	166,267	45,906	93,451	54,975	108,974
Finance costs	20	(86,856)	(81,691)	(99,781)	(107,158)	(41,974)	(47,493)	(49,182)	(64,544)
Finance income	20	61,699	75,887	70,773	88,998	26,884	50,499	30,976	58,401
Finance income (costs), net		(25,157)	(5,804)	(29,008)	(18,160)	(15,090)	3,006	(18,206)	(6,143)
Income before taxes		62,875	134,310	75,207	148,107	30,816	96,457	36,769	102,831
Income and social contribution taxes									
Current		(1,011)	(25,204)	(11,292)	(37,484)	(16,721)	(18,341)	(20,498)	(23,621)
Deferred		28,045	2,525	25,994	1,008	26,020	956	23,844	(138)
Total income and social contribution taxes	17	27,034	(22,679)	14,702	(36,476)	9,299	(17,385)	3,346	(23,759)
Net income for the period		89,909	111,631	89,909	111,631	40,115	79,072	40,115	79,072
Basic and diluted earnings per share - R\$	16b	0.2234	0.2762	0.2234	0.2762	0.1000	0.1928	0.1000	0.1928

See accompanying notes.

Statements of comprehensive income
Three and six-month periods ended August 31, 2019 and 2018
(In thousands of reais)

	Individual and Consolidated		Individual and Consolidated	
	03/01/2019 to 08/31/2019	01/03/2018 to 08/31/2018	06/01/2019 to 08/31/2019	06/01/2018 to 08/31/2018
Net income for the period	89,909	111,631	40,115	79,072
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss for the year in subsequent periods:				
Foreign exchange differences on foreign investments (Note 9)	64,634	154,569	(89,935)	64,516
Foreign exchange difference realized due to disposal of investments	-	(524)	-	(524)
Comprehensive income for the period, net of taxes	154,543	265,676	(49,820)	143,064

See accompanying notes.

Statements of changes in equity
Six-month periods ended August 31, 2019 and 2018
(In thousands of reais)

	Note	Capital reserves					Income reserves					Other comprehensive income and deemed cost	Total
		Capital	Share issue costs	Special goodwill reserve	Treasury shares	Granted stock options	Legal reserve	Tax incentives	Retained profits	Retained earnings	Additional dividends proposed		
Balances as of February 28, 2018		950,374	(12,114)	70,510	(20,344)	725	56,634	78,896	433,951	-	-	262,465	1,821,097
Foreign exchange differences on foreign investments		-	-	-	-	-	-	-	-	-	-	154,569	154,569
Foreign exchange difference of foreign subsidiary realized due to disposal of investments		-	-	-	-	-	-	-	-	-	-	(524)	(524)
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	2,119	-	(2,119)	-
Share issue costs		-	(266)	-	-	-	-	-	-	-	-	-	(266)
Acquisition of treasury shares		-	-	-	(24,890)	-	-	-	-	-	-	-	(24,890)
Granted stock options		-	-	-	-	1,819	-	-	-	-	-	-	1,819
Deferred taxes on granted stock options		-	-	-	-	(865)	-	-	-	-	-	-	(865)
Net income for the period		-	-	-	-	-	-	-	-	111,631	-	-	111,631
Proposed allocation:													
Interest on equity		-	-	-	-	-	-	-	-	(20,000)	-	-	(20,000)
Recognition of tax incentive reserve		-	-	-	-	-	-	23,866	-	(23,866)	-	-	-
Balances as of August 31, 2018		950,374	(12,380)	70,510	(45,234)	1,679	56,634	102,762	433,951	69,884	-	414,391	2,042,571
Balances as of February 28, 2019		950,374	(12,380)	70,510	(45,234)	2,787	69,382	588,252	213,381	-	-	332,043	2,169,115
Foreign exchange differences on foreign investments	9	-	-	-	-	-	-	-	-	-	-	64,634	64,634
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	2,097	-	(2,097)	-
Acquisition of treasury shares	16c	-	-	-	(25,056)	-	-	-	-	-	-	-	(25,056)
Granted stock options	16d	-	-	-	-	1,306	-	-	-	-	-	-	1,306
Deferred taxes on granted stock options	16d	-	-	-	-	(444)	-	-	-	-	-	-	(444)
Additional proposed dividends	16e	-	-	-	-	-	-	-	(15,000)	-	15,000	-	-
Net income for the period		-	-	-	-	-	-	-	-	89,909	-	-	89,909
Proposed allocation:													
Interest on equity	16e	-	-	-	-	-	-	-	(26,000)	(15,000)	-	-	(41,000)
Recognition of tax incentive reserve	16f	-	-	-	-	-	-	56,920	-	(56,920)	-	-	-
Balances as of August 31, 2019		950,374	(12,380)	70,510	(70,290)	3,649	69,382	645,172	172,381	20,086	15,000	394,580	2,258,464

See accompanying notes.

Statements of cash flows
Six-month periods ended August 31, 2019 and 2018
(In thousands of reais)

	Individual		Consolidated	
	08/31/2019	08/31/2018	08/31/2019	08/31/2018
Cash flows from operating activities				
Income before income taxes on continuing operations	62,875	134,310	75,207	148,107
Adjustments to reconcile profit or loss to cash from operating activities:				
Equity pickup	(32,981)	(49,082)	2,271	236
Foreign exchange difference realized due to disposal of investments	-	(524)	-	(524)
Accrued financial charges	55,430	41,385	60,292	48,815
Interest accrued on lease liabilities	2,364	-	2,715	-
(Reversal of) allowance for doubtful accounts	379	(924)	(1,012)	(1,015)
Reversal of provision for discounts	(2,792)	(9,395)	(2,792)	(9,395)
Provision for contingencies	904	2,069	3,904	2,548
Reversal of other accounts	(2,187)	(1,637)	(2,187)	(1,637)
Depreciation of property, plant and equipment	1,478	25,577	49,737	46,494
Amortization of intangible assets	12,423	3,622	1,736	3,828
Amortization of the right-of-use asset	28,857	-	15,988	-
Write-off of property, plant and equipment	98	264	4,065	4,659
Intangible assets written off	77	-	938	-
stock options granted	1,306	1,819	1,306	1,819
	128,231	147,484	212,168	243,935
Decrease (increase) in assets				
Accounts receivable	110,619	(4,813)	74,474	79,744
Inventories	(95,350)	(126,470)	(378,416)	(441,682)
Taxes recoverable	5,387	(2,458)	9,683	(4,690)
Other current and noncurrent assets	14,595	(22,383)	20,970	(21,292)
	35,251	(156,124)	(273,289)	(387,920)
(Decrease) increase in liabilities				
Trade accounts payable	(72,961)	19,765	66,723	59,716
Payroll and related charges payable	9,713	11,388	11,507	14,699
Tax obligations	(10,619)	(2,043)	(22,462)	(8,348)
Other current and noncurrent liabilities	6,323	12,971	15,798	22,828
Income and social contribution taxes paid	(131)	(6,535)	(11,083)	(14,445)
	(67,675)	35,546	60,483	74,450
Net cash from operating activities	95,807	26,906	(638)	(69,535)
Cash flows from investing activities:				
Short-term investments, net	(307,926)	141,160	(307,926)	141,160
Cash from sale of property, plant and equipment	111	5,880	331	5,880
Additions to investments	(6,388)	-	-	-
Cash from disposal of investments	-	120	-	-
Cash from merger of subsidiary	11,516	-	-	-
Additions to property, plant and equipment	(46,292)	(52,617)	(63,634)	(80,845)
Additions to intangible assets	(10,648)	(6)	(14,458)	(735)
Net cash provided by (used in) investing activities	(359,627)	94,537	(385,687)	65,460
Cash flows from financing activities:				
Loans proceeds	653,556	69,570	974,985	363,954
Loans repayment	(119,001)	(76,563)	(305,365)	(222,972)
Interest paid on loans	(34,632)	(29,838)	(38,844)	(36,744)
Payment - lease liabilities	(14,505)	-	(17,903)	-
Advance of interest on equity	(15,000)	-	(15,000)	-
Payment of interim dividends	(26,000)	-	(26,000)	-
Share issue costs	-	(266)	-	(266)
Treasury shares acquired	(25,056)	(24,890)	(25,056)	(24,890)
Net cash provided by (used in) financing activities	419,362	(61,987)	546,817	79,082
Foreign exchange differences on cash and cash equivalents	-	-	3,868	17,629
Increase in cash and cash equivalents	155,542	59,456	164,360	92,636
Cash and cash equivalents at beginning of period	312,027	241,148	365,302	276,466
Cash and cash equivalents at end of period	467,569	300,604	529,662	369,102
Increase in cash and cash equivalents	155,542	59,456	164,360	92,636

See accompanying notes.

Statements of value added
Six-month periods ended August 31, 2019 and 2018
(In thousands of reais)

	Individual		Consolidated	
	08/31/2019	08/31/2018	08/31/2019	08/31/2018
Revenues				
Sales of goods, products and services	1,998,357	1,651,255	2,648,180	2,442,231
Other revenues	2,244	9,226	5,579	29,015
(Reversal of) allowance for doubtful accounts	(334)	(526)	(334)	(1,499)
	2,000,267	1,659,955	2,653,425	2,469,747
Raw material and services acquired				
Costs of goods and services sold	(1,259,061)	(963,400)	(1,632,779)	(1,469,643)
Materials, energy, services and other expenses	(320,742)	(268,232)	(434,800)	(380,746)
Others	(6,456)	(8,839)	(7,901)	(13,057)
	(1,586,259)	(1,240,471)	(2,075,480)	(1,863,446)
Gross value added	414,008	419,484	577,945	606,301
Retentions				
Depreciation and amortization	(42,758)	(29,199)	(67,461)	(50,322)
Net value added produced	371,250	390,285	510,484	555,979
Value added received in transfer				
Equity pickup	32,981	49,082	(2,271)	(236)
Finance income	61,699	75,887	70,773	88,998
Other	-	404	-	404
	94,680	125,373	68,502	89,166
Total value added to be distributed	465,930	515,658	578,986	645,145
Distribution of value added				
Personnel				
Direct compensation	81,826	71,521	137,561	129,497
Benefits	25,304	29,899	30,423	35,606
Unemployment Compensation Fund (FGTS)	9,691	8,824	9,691	8,824
Others	5,732	7,993	5,825	8,048
	122,553	118,237	183,500	181,975
Taxes, charges and contributions				
Federal	25,094	67,003	38,087	81,554
State	136,544	121,418	159,671	144,481
Municipals	2,430	2,118	5,203	4,562
	164,068	190,539	202,961	230,597
Debt remuneration				
Interest changes	80,113	77,053	93,041	102,518
Leasing	4,046	14,480	4,334	14,705
Others	5,241	3,718	5,241	3,719
	89,400	95,251	102,616	120,942
Equity remuneration				
Interest on equity	15,000	20,000	15,000	20,000
Retained profits for the period	74,909	91,631	74,909	91,631
	89,909	111,631	89,909	111,631
Total value added distributed	465,930	515,658	578,986	645,145

See accompanying notes.

1. Operations

Camil Alimentos S.A. (“Camil” or “Company”) is a publicly-held corporation headquartered in the city and state of São Paulo which, jointly with its subsidiaries and affiliates (collectively the “Group”), is primarily engaged in the industrial processing and sale of rice, beans, fish and sugar.

The Company became operational in 1963 as a rice cooperative and has since then been expanding both through acquisitions of companies and/or food brands in Brazil and in some of the main countries in South America.

The Company owns a large portfolio of traditional and consolidated brands recognized by consumers, including “Camil”, “Namorado”, “Pescador”, “Coqueiro”, “União”, “Da Barra”, “Neve” and “Duçula” in Brazil; “Saman” in Uruguay; “Tucapel” in Chile; and “Costeño” and “Paisana” in Peru. With these brands, the Company won a prominent position in the Brazilian and Latin American food markets.

The Company's fiscal year and its subsidiaries ended in February each year, in order to align its fiscal year with the harvest cycle of the rice crop, the main product of Camil. The rice crop occurs once a year, between the months of February and May, the main raw material used in the production process of the Company and its subsidiaries. This dynamic is influenced by price fluctuations and agricultural development, mainly in Brazil and Uruguay. In Brazil, for example, planting takes place in mid-September. At harvest time, the average price paid for rice is traditionally lower during the months immediately following the March harvest, an effect observed in the seasonality of the working capital of the period.

On September 28, 2017, Camil Alimentos S.A. began to trade its shares on B3, in the Novo Market (New Market) segment.

On December 3, 2018, the Company acquired all shares of SLC Alimentos Ltda., in order to strengthen competitiveness, accelerate growth in the South, Southeast and Northeast Regions, complement its distribution and logistics platform and, especially, consolidate operations and sales synergies. With this acquisition, the brand “Namorado” and other brands became part of the portfolio, which is another step towards the consolidation of its share in the Brazilian grain market. Referred to subsidiary was merged on March 1st, 2019, as detailed in Note 8.

The Group has fourteen plants in Brazil, seven plants in Uruguay, two in Chile and three in Peru.

2. Accounting practices

2.1. Basis of preparation and presentation of interim financial information

The interim financial information, identified as Individual and Consolidated, was prepared and presented on the basis of the standard NBC TG 21 (R4) - Interim Financial Reporting (technical pronouncement CPC 21 (R1)) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR), using the same accounting practices, judgments, estimates and assumptions as those adopted in the preparation and presentation of the financial statements for the year ended February 28, 2019, as described in Note 2 to those financial statements, except for the adoption on the March 1st, 2019 of NBC TG 06 (R3) – Leases (technical pronouncement CPC 06(R2)), whose effects are already reflected in this interim financial information (Notes 2.3 and 12), and of the ITG 22 - Uncertainty over Income Tax Treatments (technical interpretation ICPC 22/IFRIC 23), covered in Note 2.3.

Based on the judgment and assumptions adopted by management on significance and amendments that should be disclosed in the accompanying notes, this quarterly information does not include all the explanatory notes presented in the annual financial statements, as permitted by Circular Letter No. 03/2011, issued by the Brazilian Securities Commission (CVM). Accordingly, the respective information must be read in conjunction with the individual and consolidated financial statements as at February 28, 2019.

The fiscal year of the Company and its subsidiaries ends on the last day of February every year, in order to align fiscal year end with rice harvest cycle, the main Company product.

Non-financial data included in this interim accounting information was not subject to review by the independent auditors.

The issue of interim financial information was approved by Company management on October 10, 2019.

2.2. Consolidated Interim financial information

On August 31, 2019 and February 28, 2019, the Company held investments in the following subsidiaries and affiliates:

		08/31/2019		02/28/2019	
		Direct	Indirect	Direct	Indirect
Uruguay					
Camilatam S.A.	Subsidiary	100.00%	-	100.00%	-
Camil Uruguay Sociedad de Inversión S.A.	Subsidiary	-	100.00%	-	100.00%
S.A. Molinos Arroceros Nacionales – SAMAN	Subsidiary	-	100.00%	-	100.00%
Arroz Uruguayo S.A. - Arrozur	Affiliate	-	49.19%	-	49.19%
Tacua S.A.	Affiliate	-	40.72%	-	40.72%
Agencia Marítima Sur S.A.	Affiliate	-	40.73%	-	40.72%
Comisaco S.A.	Affiliate	-	50.00%	-	50.00%
Galofer S.A.	Affiliate	-	45.00%	-	45.00%
Chile					
Empresas Tucapel S.A.	Subsidiary	-	99.94%	-	99.86%
Peru					
Costeño Alimentos S.A.C.	Subsidiary	-	100.00%	-	100.00%
Envasadora Arequipa S.A.C	Subsidiary	-	100.00%	-	100.00%
Brazil					
Ciclo Logística Ltda.	Subsidiary	100.00%	-	100.00%	-
SLC Alimentos Ltda.	Subsidiary	-	-	100.00%	-

(*) Subsidiary acquired on December 3, 2018 and merged on March 1, 2019, as detailed in Note 8.

The interim financial information reporting period of subsidiaries included in the consolidation coincides with that of the Company, and accounting policies were uniformly applied on consolidated companies, being consistent with those used in the prior year.

The main consolidation procedures are:

- Elimination of asset and liability balances between consolidated companies;
- Elimination of interest in capital, reserves and retained earnings of consolidated companies; and
- Elimination of revenues, expenses and unrealized income from intercompany transactions.

Control over an investee is obtained specifically when the Company has:

- Power over the investee, i.e. existing rights ensuring its current capacity of directing the activities of the investee;
- Exposure or right to variable returns based on its involvement with the investee;
- The capacity of using its power over the investee to affect profit or loss.

2.3. New standards, amendments and interpretations to standards in force

As of January 1st, 2019, the new standard IFRS 16 - Leases - (NBC TG 06 (R3) – Leases) and the new interpretation IFRIC 23 - Uncertainty over Income Tax Treatments (ITG 22 – Uncertainty over Income Tax Treatments) became effective.

The Company's considerations on the applicability and impact of these standards on the financial statements as of March 1st, 2019 are as follows:

NBC TG 06 (R3) (technical pronouncement CPC 06 (R2)) / IFRS 16 – Leases

Standard issued by IASB in January 2016, replacing IAS 37 – Leases and related interpretations IFRIC 4, SIC 15 and SIC 27. It has been translated and turned into a standard in Brazil through NBC TG 06 (R3) – Leases (technical pronouncement CPC 06 (R2)). The main changes are:

- (i) Equalization of accounting treatment for operating and finance leases to the lessee, so that all leases expiring after 12 months, with fixed consideration and significant asset value will be recognized in the lessee's statement of financial position as a right-of-use asset and a liability for future payments, both at present value;
- (ii) Lease expenses will no longer be recognized on a straight-line basis. Profit or loss will be impacted by depreciation expenses of the asset and by the allocation of liability interest.

The impacts of this standard are described in Note 12.

ITG 22 (technical interpretation ICPC 22) / IFRIC 23 – Uncertainty over Income Tax Treatments

This interpretation of IAS 12/CPC 32 – Income Taxes clarifies how to apply this standard's recognition and measurement requirements when there is uncertainty over income tax treatments. In this circumstance, the entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and determined tax rates.

The Company's management understands that there are no significant impacts on the interim accounting information, since the only topic subject to discussion is associated with Assessment Notice (AI) No. 16561.720082/2017-43 corresponding to the amortization of goodwill from years 2011 to 2015, relating to the following companies merged: Femepe Comércio de Pescados S.A., Canadá Participações Ltda., GIF Codajás Participações S.A. and Docelar Alimentos e Bebidas S.A. This proceeding has not been provisioned by the absence of expectation of probable loss, as disclosed in Note 17.2 of the annual financial statements.

3. Cash and cash equivalents

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Cash and cash equivalents	1,413	1,343	37,604	33,527
Short-term investments	466,156	310,684	492,058	331,775
	467,569	312,027	529,662	365,302

Cash and cash equivalents are substantially represented by non-interest bearing bank deposits. Short-term investments classified as cash equivalents comprise fixed-income investments, substantially represented by certified of deposits, with average earnings of 100.23% of the Interbank Deposit Certificate (CDI) variation (99.62% at February 28, 2019), redeemable within 90 days from investment date, against respective issuers, with no significant change in the agreed yield. These short-term investments are held in financial institutions with a short-term national rating above F2 and long-term national rating above A which, according to FitchRatings, means that they have good credit quality with low risk in their obligations.

4. Short-term investments

	Average annual rate	Individual and Consolidated	
		08/31/2019	02/28/2019
Current			
Fixed-income investments with grace period	102.00% of CDI	305,991	-
Restricted fixed-income investments with grace period	100.00% of CDI	33,394	31,242
		339,385	31,242
Noncurrent			
Fixed-income investments with grace period	100.00% of CDI	-	217
		-	217
		339,385	31,459

As well as the applications classified as cash equivalents, the other investments are maintained in institutions with good credit rating and low risk in the financial market. Represented, substantially, by certified of deposits.

5. Accounts receivable

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Falling due	378,749	448,621	556,350	670,019
Overdue within 30 days	9,267	3,250	72,499	27,323
Overdue from 31 to 60 days	1,256	561	5,742	6,702
Overdue from 61 to 90 days	1,260	312	4,105	1,785
Overdue from 91 to 180 days	1,801	2,669	11,116	3,449
Overdue above 181 days	5,927	3,216	10,091	9,965
	398,260	458,629	659,903	719,243
Discounts granted (a)	(16,980)	(18,172)	(16,980)	(19,772)
Allowance for doubtful accounts	(6,344)	(5,650)	(8,195)	(8,935)
	374,936	434,807	634,728	690,536

(a) Discounts granted are recognized through agreements with specific customers.

The movement of the allowance for discounts granted is demonstrated as follows:

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Beginning balance	(18,172)	(28,207)	(19,772)	(28,207)
Merger of SLC Alimentos Ltda.	(1,600)	-	-	-
Additions	(82,910)	(158,634)	(82,910)	(165,861)
Reversals / write-offs	85,702	168,669	85,702	174,296
Closing balance	(16,980)	(18,172)	(16,980)	(19,772)

The movement of the allowance for doubtful accounts is demonstrated as follows:

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Beginning balance	(5,650)	(4,487)	(8,935)	(7,545)
Foreign exchange differences	-	-	(272)	(330)
Merger of SLC Alimentos Ltda.	(315)	-	-	-
Additions	(1,959)	(4,160)	(2,183)	(5,844)
Reversals	1,831	1,686	3,401	2,302
Write-offs	(251)	1,311	(206)	2,482
Closing balance	(6,344)	(5,650)	(8,195)	(8,935)

6. Inventories

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Finished products	281,163	224,707	446,724	357,102
Raw material (a)	216,620	172,660	646,554	270,068
Packaging material	68,556	55,650	78,414	67,330
Advances to suppliers (b)	195,525	199,757	321,003	393,285
Others	27,795	16,461	67,317	56,656
	789,659	669,235	1,560,012	1,144,441
Current	772,390	649,856	1,536,473	1,120,180
Noncurrent (c)	17,269	19,379	23,539	24,261

(a) Consolidated variation is justified mainly by the increase in the acquisitions of raw materials of the subsidiaries due to the harvest.

(b) Advances made to rice producers to ensure purchase of rice, of which R\$17,269 (R\$19,379 at February 28, 2019), Individual, is classified as noncurrent, according to expected realization.

(c) The noncurrent consolidated balance is also composed of packaging materials and other inventory items, totaling R\$6,270 (R\$4,882 at February 28, 2019).

7. Taxes recoverable

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Income and social contribution taxes	161,872	166,447	161,872	174,232
PIS and COFINS – federal VAT	172,177	71,956	172,177	161,242
ICMS – state VAT	13,768	22,014	13,768	22,014
Other taxes	28,407	22,706	31,437	30,158
	376,224	283,123	379,254	387,646
Current	131,185	135,220	134, 215	142,025
Noncurrent	245,039	147,903	245,039	245,621

8. Business combination

On December 3, 2018, the Company concluded the acquisition of 100% of the share capital of SLC Alimentos Ltda., whose Purchase and Sale of Quotas Agreement and Other Covenants had been celebrated on October 26, 2018. The payment of R\$180,000 was agreed, of which R\$140,000 were settled on the closing date of the transaction and the remaining value of R\$40,000 was retained by the Company and will be disbursed according to the phases stipulated in contract, within 5 years, after deduction of possible losses incurred in relation to unexpected facts linked to the operation. Additionally, the contract provides for the contingent payment regarding tax credits of R\$10,296 net of attorney's fees. The total remaining liabilities plus monetary restatement are allocated under the Accounts payable.

The acquisition of SLC Alimentos Ltda. represents an increase in operational efficiency through the synergy estimated by the Company in all strategic areas of the grain category.

In order to meet corporate law and NBC TG 15 (R4) – Business Combination, the Company hired a specialized consultancy to prepare the appraisal report of fair value at the acquisition date.

The Company is conducting the evaluation and adjustments in the measurement of the fair value of the net assets and the final value of the consideration, observing the period of one year after the acquisition. Below, we present the summary of the calculated calculation of goodwill (unallocated parcel), according to the preliminary report:

	08/31/2019
Fixed portion of acquisition price	140,000
Retained portion	40,000
Contingent consideration	10,296
Total consideration	190,296
Preliminary fair value of net assets	
Equity book value	119,767
Parcel paid surplus on book value	70.529
(-) Fixed assets identified at fair value	(35.587)
(-) Intangible assets identified at fair value	(17.645)
(-) Adjustment the fair value of other assets and liabilities	(775)
Goodwill (portion of unallocated price)	16.522

Notes to interim financial information

August 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

The details of the net assets acquired, and the consideration are shown below:

	Closing balance as of 03/12/2018	Fair value measured/PPA (preliminary)	Adjustments to the values measured	Adjusted balance
Fixed portion of acquisition price	140,000	-	-	140,000
Retained portion	40,000	-	-	40,000
Contingent consideration	10,296	-	-	10,296
Total consideration	190,296	-	-	190,296
Assets				
Cash and cash equivalents	26,433	-	-	26,433
Accounts receivables	61,492	-	-	61,492
Inventories	40,237	775	-	41,012
Taxes recoverable and deferred tax	100,525	-	-	100,525
Property, plan and equipment	77,902	35,587	-	113,489
Intangible assets	15,858	17,645	-	33,503
Goodwill (Note 11)	-	34,884	(18,362)	16,522
Other accounts receivables	4,075	122	-	4,197
Total assets	326,522	89,013	(18,362)	397,173
Liabilities				
Loans and financing, net of derivatives	176,463	-	-	176,463
Provision for contingencies	454	122	-	576
Trade accounts payables	15,148	-	-	15,148
Taxes payable and social obligations	9,737	-	-	9,737
Deferred taxes	-	18,362	(18,362)	-
Other accounts payables	4,953	-	-	4,953
Total liabilities	206,755	18,484	(18,362)	206,877
Preliminary value of net assets acquired	119,767	70,529	-	190,296

With the purpose of integrating such synergies, on March 1st, 2019, by means of an Extraordinary General Assembly (AGE), the Company unanimously approved the merger of SLC Alimentos Ltda., whose net assets merged on March 1st, 2019, was:

	Balance merged
Assets	
Cash and cash equivalents	11,516
Accounts receivable	48,444
Inventories	25,618
Taxes recoverable	97,718
Property, plant and equipment (Note 10)	111,870
Intangible assets (Note 11)	32,499
Other assets	6,773
Total assets	334,438
Liabilities	
Loans and financing (Note 13)	148,166
Provision for contingencies (Note 15.1)	593
Other liabilities	14,584
Total liabilities	163,343
Identifiable net assets	171,095

9. Investments

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Subsidiaries	988,908	1,038,241	-	-
Affiliates	-	-	30,567	29,789
Goodwill on investment acquisition	201,988	220,350	-	-
	1,190,896	1,258,591	30,567	29,789

(*) For consolidation purposes, the goodwill generated by the acquisition of investments is allocated in intangible assets, as predicted by NBC TG 15 (R4)/CPC 15 (R1) – Business Combination.

The movement of investments is as demonstrated below:

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Beginning balance	1,258,591	877,129	29,789	26,657
Payment of capital in subsidiary (a)	6,388	25,000	-	-
Acquisition of investment (b)	-	190,296	-	-
Merger of investment (b)	(171,095)	-	-	-
Adjusted recognition of goodwill on SLC acquisition	(603)	-	-	-
Loss from disposal of equity interest in subsidiary	-	(120)	-	-
Equity pickup	32,981	95,434	(2,271)	(996)
Exchange rate variation on investments (c)	64,634	74,249	3,049	4,128
Transfer to capital deficiency in direct subsidiary	-	(3,397)	-	-
Closing balance	1,190,896	1,258,591	30,567	29,789

- a) On July 16, 2019, the Company increased capital in the amount of R\$6,388 through issue of new units of interest in the subsidiary, according to the 21st amendment to the Articles of Organization.
- b) Acquisition and merger of SLC Alimentos Ltda., as detailed in Note 8.
- c) In the six-month period ended August 31, 2019, the amount of R\$64,634 (R\$74,249 at February 28, 2019) was recorded referring to effects of foreign exchange differences from the translation of the financial statements of foreign subsidiaries into reais, originally prepared in US dollars (USD), Chilean pesos (CLP) and the Peruvian Novo Sol (PEN). These effects are recorded as other comprehensive income, in equity.

10. Property, plant and equipment

Individual	Land	Buildings and improvements	Machinery and equipment	Advances to suppliers	Construction in progress	Others	Total
Cost							
Balance as of 02/28/2019	58,660	207,975	543,162	4,160	115,249	30,873	960,079
Merger of SLC Alimentos Ltda. (Note 8)	4,607	53,857	92,491	-	823	2,038	153,816
Acquisitions	361	70	3,093	20,063	22,682	23	46,292
Write-offs	-	(11)	(888)	-	-	(75)	(974)
Transfers	-	53,288	60,165	(9,353)	(99,268)	(4,832)	-
Balance as of 08/31/2019	63,628	315,179	698,023	14,870	39,486	28,027	1,159,213
Depreciation							
Balance as of 02/28/2019	-	(68,541)	(358,728)	-	-	(19,160)	(446,429)
Merger of SLC Alimentos Ltda. (Note 8)	-	(14,797)	(25,912)	-	-	(1,237)	(41,946)
Depreciation	-	(4,813)	(23,199)	-	-	(845)	(28,857)
Write-offs	-	7	797	-	-	72	876
Transfers	-	397	(397)	-	-	-	-
Balance as of 08/31/2019	-	(87,747)	(407,439)	-	-	(21,170)	(516,356)
Balance as of 02/28/2019	58,660	139,434	184,434	4,160	115,249	11,713	513,650
Balance as of 08/31/2019	63,628	227,432	290,584	14,870	39,486	6,857	642,857

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(In thousands of reais – R\$, unless otherwise stated)

Consolidated	Land	Buildings and improvements	Machinery and equipment	Advances to suppliers	Construction in progress	Others	Total
Cost							
Balance as of 02/28/2019	114,604	476,419	1,088,970	4,159	123,122	95,987	1,903,261
Foreign exchange rate variation	3,831	14,813	42,303	-	536	3,261	64,744
Acquisitions	361	70	3,107	20,063	32,509	7,524	63,634
Write-offs	-	(11)	(2,377)	-	(2,990)	(1,010)	(6,388)
Transfers	-	54,377	62,474	(9,353)	(104,265)	(3,233)	-
Balance as of 08/31/2019	118,796	545,668	1,194,477	14,869	48,912	102,529	2,025,251
Depreciation							
Balance as of 02/28/2019	-	(155,949)	(727,812)	-	-	(47,671)	(931,432)
Foreign exchange rate variation	-	(5,578)	(33,388)	-	-	(2,572)	(41,538)
Depreciation	-	(9,197)	(37,444)	-	-	(3,096)	(49,737)
Write-offs	-	(125)	1,587	-	-	861	2,323
Transfers	-	397	(397)	-	-	-	-
Balance as of 08/31/2019	-	(170,452)	(797,454)	-	-	(52,478)	(1,020,384)
Balance as of 02/28/2019	114,604	320,470	361,158	4,159	123,122	48,316	971,829
Balance as of 08/31/2019	118,796	375,216	397,023	14,869	48,912	50,051	1,004,867

Construction in progress and advances to suppliers basically refer to the expansion of storage and production capacity.

The Company has loans and financing amounting to R\$40,340 (R\$41,968 at February 28, 2019), which are guaranteed by statutory lien on property, plant and equipment items recorded under "Machinery and Equipment". Subsidiary Costeño Alimentos S.A.C. has also taken out loans for which properties were given as collateral amounting to R\$62,964 (R\$47,324 at February 28, 2019), recorded under "Buildings and improvements".

11. Intangible assets

Individual	Software	Goodwill	Trademarks and patents	Customer relationship	Non-compete agreement	Software under development	Total
Balance as of 02/28/2019	9,597	-	215,550	-	-	5,206	230,353
Merger of SLC Alimentos Ltda. (Note 8)	113	-	24,535	6,375	1,476	-	32,499
Acquisitions	-	-	-	-	-	10,648	10,648
Write-offs	-	-	-	-	-	(77)	(77)
Amortization	(1,478)	-	-	-	-	-	(1,478)
Balance as of 08/31/2019	8,232	-	240,085	6,375	1,476	15,777	271,945
Consolidated	Software	Goodwill	Trademarks and patents	Customer relationship	Non-compete agreement	Software under development	Total
Balance at 02/28/2019	14,127	306,887	321,235	6,375	1,476	5,206	655,306
Foreign exchange rate variation	210	5,967	4,527	-	-	-	10,704
Acquisitions	3,810	-	-	-	-	10,648	14,458
Write-offs (*)	(258)	(18,362)	-	-	-	(77)	(18,697)
Amortization	(1,736)	-	-	-	-	-	(1,736)
Balance at 08/31/2019	16,153	294,492	325,762	6,375	1,476	15,777	660,035

(*) Impact from the reversal of deferred income and social contribution taxes on the surplus values of subsidiary SLC Alimentos Ltda. due to its merger, matched against deferred taxes (Note 8).

The carrying amount of intangible assets and property, plant and equipment allocated to each cash-generating unit (CGU) is as follows:

Individual	Fish CGU		Sugar CGU		Grains CGU		Total	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Carrying amount of trademarks and patents	50,884	50,884	134,071	134,071	55,130	30,595	240,085	215,550
Property, plant and equipment	135,208	139,059	94,299	79,803	413,350	294,788	642,857	513,650
Other intangible assets	127	123	205	6	31,528	14,674	31,860	14,803
	186,219	190,066	228,575	213,880	500,008	340,057	914,802	744,003

Consolidated	Food product Brazil						Food product International		Total	
	Fish CGU		Sugar CGU		Grains CGU		Grains CGU			
	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Carrying amount of trademarks and patents	50,884	50,884	134,071	134,071	55,130	55,130	85,677	81,150	325,762	321,235
Property, plant and equipment	135,208	139,059	94,299	79,803	431,763	419,550	343,597	333,417	1,004,867	971,829
Other intangible assets	127	123	205	6	31,530	22,641	7,919	4,414	39,781	27,184
Carrying amount of goodwill	17,670	17,670	144,142	144,142	40,176	58,538	92,504	86,537	294,492	306,887
	203,889	207,736	372,717	358,022	558,599	555,859	529,697	505,518	1,664,902	1,627,135

Intangible assets and property, plant and equipment are subject to impairment test annually. In years ended February 28, 2019 and 2018, no assets were identified that were recorded by amount exceeding their recoverable value, as disclosed in Note 12 to the financial statements at February 28, 2019.

12. Lease agreements

As of March 1st, 2019, the Company applied NBC TG 06 (R3)/CPC 06 (R2)/IFRS 16 - Leases using the modified retrospective approach, which does not require comparative presentation of previous periods.

In the initial adoption, the liabilities were measured at the present value of the remaining payments, discounted at the incremental rate (nominal rate) on the Company's loans of 0.49%, and the right-of-use assets were measured at the amount equal to the lease liability at present value. For contracts eligible for PIS and COFINS credits, the right-of-use asset will be amortized to the result by the net value of such credits.

The Company applied the practical expedient regarding the definition of lease agreement, applying the criteria of right of control and obtaining benefits of the identifiable asset, contracting term exceeding 12 months, expectation of contract renewal term, fixed consideration and relevance of the value of the leased asset.

The Company's main lease agreements refer to the lease of properties of industrial plants with an average remaining period of 3 years and the administrative headquarters, with a remaining period of 8 years.

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(In thousands of reais – R\$, unless otherwise stated)

a) Right-of-use assets

Individual	Real properties	Machinery and equipment	Vehicles	Total
Beginning balance at 02/28/2019	-	-	-	-
Leases recognized during the transition to NBC TG 06 (R3) / CPC 06 (R2) / IFRS 16 at 03/01/2019	76,314	3,020	2,616	81,950
Acquisitions	1,982	-	383	2,365
Amortization of deferred PIS and COFINS tax credits	(678)	(68)	-	(746)
Monetary restatement	3,226	8	22	3,256
Depreciation	(11,185)	(650)	(588)	(12,423)
Write-offs	-	(31)	-	(31)
Balance at 08/31/2019	69,659	2,279	2,433	74,371

Consolidated	Real properties	Machinery and equipment	Vehicles	Total
Beginning balance at 02/28/2019	-	-	-	-
Leases recognized during the transition to NBC TG 06 (R3) / CPC 06 (R2) / IFRS 16 at 03/01/2019	95,151	3,299	2,992	101,442
Acquisitions	2,170	-	381	2,551
Amortization of deferred PIS and COFINS tax credits	(678)	(68)	-	(746)
Monetary restatement	3,226	8	22	3,256
Depreciation	(14,522)	(702)	(764)	(15,988)
Write-offs	-	(31)	-	(31)
Balance at 08/31/2019	85,347	2,506	2,631	90,484

b) Lease liabilities

	Individual	Consolidated
Beginning balance at 02/28/2019	-	-
Leases recognized during the transition to NBC TG 06 (R2) / IFRS 16	93,555	114,947
Present value adjustment (APV) recognized during the transition to IFRS 16	(11,248)	(13,148)
Additions of new lease agreements	2,154	2,346
APV recognized on additions of new lease agreements	(146)	(152)
Remeasurement of lease agreements	3,571	3,571
APV recognized on measurement	(315)	(315)
Write-off due to payment of lease liabilities	(14,505)	(17,903)
Amortization of accrued interest (APV)	2,364	2,715
Write-offs due to contractual amendment	(31)	(31)
Balance at 08/31/2019	75,399	92,030
Current	26,513	33,007
Noncurrent	48,886	59,023

c) Results of lease

	Individual	Consolidated
	08/31/2019	
Exemptions (Variable, low-value or shorter than 12-month leases) - Note 19	(864)	(13,268)
Amortization of lease - Note 19	(12,423)	(15,988)
Finance costs – Accrued interest (APV) – Note 20	(2,364)	(2,715)
	(15,651)	(31,971)

13. Loans, financing and debentures

	Index	Weighted average annual rate 08/31/2019	Individual		Consolidated	
			08/31/2019	02/28/2019	08/31/2019	02/28/2019
Working capital (a)						
Local currency	-	7.48%	78,064	-	78,064	129,464
Local currency	IPCA	4.00%	9,532	-	9,532	9,654
Foreign currency (*)	USD	2.81%	31,698	20,828	233,747	92,011
Foreign currency (**)	CLP	4.00%	-	-	36,392	7,166
Foreign currency (***)	PEN	5.90%	-	-	116,144	109,085
FINAME (a)	-	4.34%	40,340	41,968	40,340	51,165
Fixed asset financing – Foreign currency	USD	2.91%	-	-	41,417	50,176
			159,634	62,796	555,636	448,721
Debentures – Non-privileged guarantee						
Issued on 11/23/2016 – 1 st series	CDI	99% CDI p.a.	218,937	218,917	218,937	218,917
Issued on 11/23/2016 – 2 nd series	CDI	100% CDI p.a.	191,979	191,864	191,979	191,864
Issued on 05/19/2017 – 1 st series	CDI	97% CDI p.a.	239,697	239,674	239,697	239,674
Issued on 05/19/2017 – 2 nd series	CDI	98% CDI p.a.	168,169	168,152	168,169	168,152
Issued on 12/15/2017 – Single serie	CDI	98% CDI p.a.	170,147	170,130	170,147	170,130
Issued on 06/04/2019 – 1 st series (b)	CDI	98% CDI p.a.	277,782	-	277,782	-
Issued on 06/04/2019 – 2 nd series (b)	CDI	101% CDI p.a.	336,274	-	336,274	-
Cost of transaction			(16,801)	(8,599)	(16,801)	(8,599)
			1,586,184	980,138	1,586,184	980,138
			1,745,818	1,042,934	2,141,820	1,428,859
Current			596,370	254,079	915,379	514,114
Noncurrent			1,149,448	788,855	1,226,441	914,745

(*) USD - Dollar

(**) CLP – Chilean pesos

(***) PEN – Peruvian Nuevo Sol

- a) Part of the working capital in the Individual amounting to R\$16,356 is guaranteed by statutory lien on inventories and FINAME amounting to R\$40,340 is guaranteed by statutory lien on property, plant and equipment (R\$41,968 at February 28, 2019). As for subsidiary Costeño Alimentos S.A.C. the assets pledged as collateral were mentioned in Note 10 - Property, plant and equipment.

b) Eighth issue of Nonconvertible Unsecured Debentures – Agribusiness Receivables Certificate (“CRA”)

On April 16, 2019, the Company issued debentures, according to the “Private Indenture for the 8^a issue of unsecured nonconvertible debentures, amounting to R\$600,000, in two series, for Private Placement, of Camil Alimentos S.A.”, entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A.

After the acquisition by Securitizadora, the debentures were associated with the 1st and 2nd series of the 5th issue of Agribusiness Receivables Certificates (“CRA”) of Securitizadora.

The first series debentures were issued at the cost of 98% of DI, maturing on April 17, 2023, amounting to R\$271,527, bearing semiannual interest and with the first payment to be made on October 15, 2019.

The second series debentures were issued at the cost of 101% of DI, maturing on April 15, 2025, amounting to R\$328,473, bearing semiannual interest and with the first payment to be made on October 15, 2019.

The CRA issued derives from the purchase of sugar of the Company contracted with Raízen Energia S.A. (“Raízen”) and provides for performance of the following covenant: Net debt/EBITDA equal to or lower than 3.5x (three point fifty hundredths).

Covenants are controlled annually by financial institutions, however, the Company monthly monitors these covenants and there are no uncertainties as to their annual performance.

For all issue dates, the Company may early redeem, in full or in part, the debentures from the issue date, upon written notice to the Trustee and publication of a notice to Debenture Holders.

Loans, financing and debentures installments mature as follows:

Individual				Consolidated			
08/31/2019		02/28/2019		08/31/2019		02/28/2019	
Aug/20	596,370	Feb/20	254,079	Aug/20	915,379	Feb/20	514,114
Aug/21	362,490	Feb/21	432,300	Aug/21	418,442	Feb/21	498,475
Aug/22	175,799	Feb/22	342,782	Aug/22	193,548	Feb/22	385,475
Aug/23	277,004	Feb/23	7,912	Aug/23	280,182	Feb/23	14,403
Aug/24	3,034	Feb/24	3,617	Aug/24	3,148	Feb/24	8,012
From Aug/24 onwards	331,121	From Feb/24 onwards	2,244	From Aug/24 onwards	331,121	From Feb/24 onwards	8,380
	<u>1,745,818</u>		<u>1,042,934</u>		<u>2,141,820</u>		<u>1,428,859</u>

Below is the movement of loans, financing and debentures:

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Beginning balance	1,042,934	1,052,090	1,428,859	1,285,689
Business combination - SLC Alimentos Ltda.	-	-	-	176,669
Merger of SLC Alimentos Ltda. (Note 8)	148,166	-	-	-
Funds raised	653,556	108,602	974,985	636,067
Allocation of interest and monetary and exchange differences	52,130	67,194	78,659	108,745
Allocation of costs	3,300	5,109	3,300	5,109
Amortization of principal	(119,001)	(125,987)	(305,365)	(706,332)
Interest amortization	(35,267)	(64,074)	(38,618)	(77,088)
Closing balance	1,745,818	1,042,934	2,141,820	1,428,859

14. Transactions with related parties

The following balances are held by the Company, its subsidiaries, affiliates and other related parties:

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Current assets				
Accounts receivable				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	302	2,655	-	-
Empresas Tucapel S.A.	-	101	-	-
Ciclo Logística Ltda.	-	2,926	-	-
Affiliates:				
Galofer S.A.	-	-	22,990	18,437
Comisaco S.A.	-	-	6,298	5,789
Arroz Uruguayo S.A. – Arrozur	-	-	1	1
Other related parties:				
Camil Investimentos S.A.	23	22	23	22
Climuy S.A.	-	-	12	-
Advance of interest on equity (Note 16)	15,000	-	15,000	-
Total assets	15,325	5,704	44,324	24,249

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(In thousands of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Current liabilities				
Accounts payable for purchases				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	1,912	17,280	-	-
Ciclo Logística Ltda.	8,687	6,944	-	-
SLC Alimentos Ltda.	-	3,071	-	-
Affiliates:				
Climuy S.A.	-	-	-	243
Arroz Uruguayo S.A. – Arrozur	-	-	2,392	1,719
Tacua S.A.	-	-	8	8
Comisaco S.A.	-	-	899	-
Other related parties:				
Q4 Sertãozinho Empreendimentos e Participações Ltda.	-	135	-	135
Q4 Itajaí Empreendimentos e Participações Ltda.	183	162	183	162
Q4 Empreendimentos e Participações Ltda.	1,723	1,618	1,723	1,618
Interest on equity payable (Note 16.e)	15,000	-	15,000	-
Total liabilities	27,505	29,210	20,205	3,885

The transaction between Related Parties are held under specific conditions and on the course of business. On August 31, 2019, provision for impairment regarding potential loss on related parties transaction was not required to be recorded.

Transactions among the Company, its subsidiaries and affiliates are as follows:

	Individual		Consolidated	
	08/31/2019	08/31/2018	08/31/2019	08/31/2018
Revenue from sale of rice husk				
Galofer S.A.	-	-	2,427	738
Expenses from purchase of processed rice				
S.A. Molinos Arroceros Nacionales – SAMAN	(17,657)	(29,942)	-	-
Freight expenses				
Ciclo Logística Ltda.	(41,544)	(34,368)	-	-
Irrigation expenses				
Comisaco S.A.	-	-	(3,608)	(4,173)
Climuy S.A.	-	-	-	(3,878)
Expenses with rice parboiling				
Arroz Uruguayo S.A. – Arrozur	-	-	(4,948)	(8,008)
Expenses with port services				
Tacua S.A.	-	-	(122)	(4,053)
Total, net	(59,201)	(64,310)	(6,251)	(19,374)

Below are the amounts involved in transactions with companies related to the managing officers:

	Individual		Consolidated	
	03/01/2019	03/01/2018	03/01/2019	01/03/2018
	to	to	to	to
	08/31/2019	08/31/2018	08/31/2019	08/31/2018
Property lease income				
Camil Investimentos S.A.	131	130	131	130
Rent expenses				
Q4 Empreendimentos e Participações Ltda.	(9,831)	(8,169)	(9,831)	(8,169)
Q4 Sertãozinho Empreendimentos e Participações Ltda.	(1,651)	(760)	(1,651)	(760)
Q4 Itajaí Empreendimentos e Participações Ltda.	(985)	(912)	(985)	(912)
Total, net	(12,336)	(9,711)	(12,336)	(9,711)

The building and land on which the production units of the São Paulo state, of Campo Grande in the Rio de Janeiro State and of Recife in Pernambuco state are located belong to related party Q4 Empreendimentos e Participações Ltda., which charges monthly rental of R\$829, R\$811 and R\$83 (R\$779, R\$762 and R\$76 at February 28, 2019) maturing on the first business day of the subsequent month, respectively.

Itajaí Production Unit is leased by related party Q4 Itajaí Empreendimentos e Participações Ltda. for a monthly fee of R\$172 (R\$162 at February 28, 2019).

Lastly, Sertãozinho Production Unit, leased by related party Q4 Sertãozinho Empreendimentos e Participações Ltda. for a monthly fee of R\$135, ceased its activities, resulting in a termination fee. The consequent termination of the lease resulted in a termination penalty of R\$1,516, recorded under Other operating income (expenses).

a) Sureties provided

Subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) is guarantor of the following transactions:

Bank loan transactions	08/31/2019	02/28/2019
Related parties		
Arroz Uruguayo S.A. – Arrozur	543	981
Comisaco S.A.	1,896	1,713
Galofer S.A.	13,628	12,311
	16,067	15,005
Third parties		
Balerel SRL	3,311	2,991
Rice producers		
Bank loan transactions	-	866
Supplier transactions	-	1,812
	-	2,678
	19,378	20,674

b) Management compensation

Compensation paid to Statutory Officers and Independent Directors for the six-month period ended August 31, 2019, totaled R\$2,213 (R\$2,765 at August 31, 2018) and is carried as general and administrative expenses in the statement of income.

15. Provision for contingencies

15.1 Probable risks

Risks	Individual				Total
	Environmental	Civil	Labor	Tax	
As of February 28, 2019	57	20,581	13,244	127	34,009
Merger of SLC Alimentos (Note 8)	-	-	593	-	593
Additions	1	355	2,835	18	3,209
Write-offs	-	(27)	(2,244)	(34)	(2,305)
As of August 31, 2019	58	20,909	14,428	111	35,506

Judicial deposits	Individual				Total
	Environmental	Civil	Labor	Tax	
As of February 28, 2019	-	(3,078)	(2,978)	(1,703)	(7,759)
Merger of SLC Alimentos (Note 8)	-	-	(686)	-	(686)
Additions	-	(770)	(573)	-	(1,343)
Write-offs	-	23	529	-	552
As of August 31, 2019	-	(3,825)	(3,708)	(1,703)	(9,236)

Risks	Consolidated				Total
	Environmental	Civil	Labor	Tax	
As of February 28, 2019	57	20,583	16,335	127	37,102
Additions	1	355	6,431	18	6,805
Write-offs	-	(27)	(2,840)	(34)	(2,901)
As of August 31, 2019	58	20,911	19,926	111	41,006

Judicial deposits	Consolidated				Total
	Environmental	Civil	Labor	Tax	
As of February 28, 2019	-	(3,363)	(4,795)	(1,703)	(9,861)
Additions	-	(770)	(642)	-	(1,412)
Write-offs	-	23	556	-	579
As of August 31, 2019	-	(4,110)	(4,881)	(1,703)	(10,694)

In the six-month period ended August 31, 2019, there were neither significant changes in the status of ongoing proceedings nor inclusion of significant new claims. The main lawsuits whose likelihood of loss is assessed as probable or possible are mentioned in Note 17 to the annual financial statements.

Success fees are accrued by the Company in accordance with the contractual provision established upon engagement of the legal advisors responsible for the tax proceedings.

16. Equity

a) Capital

Composition of the social capital of R\$950.374 (common shares) on August 31, 2019 and February 28, 2019 (authorized capital of R\$2.500.000):

Shareholders	08/31/2019		02/28/2019	
	Number	(%)	Number	(%)
Camil Investimentos S.A.	229,735,239	56.03%	229,735,239	56.03%
WP XII E Fundo de Investimentos em Participações	35,402,154	8.63%	35,402,154	8.63%
Franklin Templeton Investments (*)	20,553,200	5.01%	20,553,200	5.01%
Controlling shareholders and managing officers	19,010,264	4.64%	19,034,364	4.64%
Treasury	9,386,846	2.29%	5,821,571	1.42%
Outstanding shares (<i>free float</i>) (*)	116,517,373	23.41%	120,058,548	24.27%
Total	410,051,876	100.00%	410,051,876	100.00%

(*) The shares of Franklin Templeton make up the number of outstanding shares totaling 116,517,373 common shares.

b) Earnings per share

Earnings per share:	03/01/2019 to 08/31/2019	01/03/2018 to 08/31/2018
Net income for the period	89,909	111,631
Weighted average number of common shares (*)	402,487,980	404,230,305
Basic and diluted earnings per share - R\$ (**)	0.2234	0.2762

(*) The Company's weighted average number of shares does not include treasury shares acquired due to the Stock Option plan for the period ended August 31, 2019. On that date, the number of treasury shares was 9,386,846, as mentioned in item "c" of this note.

(**) Due to the share repurchase program to comply with the Option Plan, with no future change in the total number of Company shares, there is no dilutive effect of profit.

c) Share repurchase program

On April 1st, 2019, the Board of Directors approved the second share repurchase program, whose purpose is the acquisition of common shares issued by the Company comprising grants already performed under the Company's stock option plan, as well as the cancellation, being held in treasury or being disposed of, without reducing capital, in order to efficiently apply the funds available in cash to maximize Company's capital allocation and generation of shareholder value.

The new repurchase program provided for the acquisition limit of 3,565,275 common shares until October 1st, 2019. This goal was achieved on August 7, 2019.

The shares acquired are equivalent to 8.06% of the outstanding shares and 2.29% of the Company's capital, totaling R\$70,290 (R\$45,234 at February 28, 2019).

d) Share-based payment

On April 1st, 2019, the Board of Directors approved the grant of new Company stock options under the Company's Stock Option Plan, approved at the Special General Meeting held on August 28, 2017. The grants will be limited to 4,191,270 common shares. The new grant complies with the limit of 4% of the Company's capital as provided for in the Stock Option Plan.

The exercise price of each New Option will correspond to R\$6.96 (six reais and ninety-six cents) per share, equivalent to the weighted average quotation of shares issued by the Company of the 30 (thirty) trading sessions of B3 S.A. - Brasil, Bolsa, Balcão immediately prior to the Granting Date.

In addition to this fact, there were contractual dissolutions related to the two existing grants in the three-month period ended May 31, 2019.

The Granting Plan has the following objectives:

- i) encourage the expansion of the Company's social objectives;
- ii) align the interests of the shareholders with those of the Plan's Beneficiaries;
- iii) encourage the creation of value to the Company or other companies under its control through the Beneficiaries;
- iv) share risks and gains among shareholders, managing officers and employees.

Option exercise

The Options must be exercised within a maximum period of 7 (seven) years observing the vesting period below:

Number of Options	Vesting period
20%	2 years
30%	3 years
50%	4 years

Options not exercised by the deadline will be extinguished.

Position of options granted through August 31, 2019 and the corresponding provisioned amount, net of provision for income tax and social contribution, totaling R\$3,649 (R\$2,787 in February 28, 2019):

Granting Date:	10/31/2017		12/12/2017		04/01/2019		Total		
	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Net provision at 08/31/2019
Option exercise									
20% - first anniversary	455,419	617	497,276	466	781,355	223	1,734,050	1,306	862
30% - second anniversary	683,128	817	745,914	650	1,172,032	223	2,601,074	1,690	1,115
50% - second anniversary	1,138,547	1,237	1,243,190	1,015	1,953,387	279	4,335,124	2,531	1,672
	2,277,094	2,671	2,486,380	2,131	3,906,774	725	8,670,248	5,527	3,649

The provisions governing the Stock Option Plan are set out in attachment II to the minutes of the aforementioned Meeting.

e) Shareholders' compensation

The following events occurred in the six-month period related to the distribution of earnings to shareholders:

- (i) On March 26, 2019, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the third quarter of the fiscal year ended February 28, 2019. The gross amount approved was R\$20,000, corresponding to the gross unit value of R\$0.04948 per common share. The payment was made on April 17, 2019 and realized at Retained Earnings Reserve on the date of the distribution's approval at the Annual and Special General Meeting held on June 26, 2019.
- (ii) At the Annual and Special General Meeting held on June 26, 2019, the shareholders approved the distribution of complementary dividends referring to the fourth quarter of the fiscal year ended February 28, 2019 as Interest on Equity in the amount of R\$6,000, corresponding to the gross unit value of R\$0.01492 per common share. The payment of IOE was made on July 11, 2019 to shareholders holding common shares issued by the Company at June 26, 2019.
- (iii) On June 26, 2019, the Board of Directors approved payment of complementary dividends as Interest on Equity to the Company's shareholders referring to the fiscal year ended February 28, 2019. The gross amount approved was R\$15,000, corresponding to the gross unit value of R\$0.03731 per common share. The payment of Interest on Equity was made on July 16, 2019 to shareholders holding common shares issued by the Company as at July 1st, 2019. The amount will be kept in the interest on equity, in related parties, until the next ordinary general meeting (Note 14) is held.
- (iv) On August 23, 2019, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the first quarter of the fiscal year ended February 28, 2020. The gross amount approved was R\$15,000, corresponding to the gross unit value of R\$0.03744 per common share. The payment of Interest on Equity will be made on September 12, 2019 to shareholders holding common shares issued by the Company as at September 2, 2019.

f) Tax Incentive Reserve

Tax incentives granted by the States or by the Federal District are now considered investment subsidies, deductible for the purposes of calculation of income and social contribution taxes. Thus, the Company computed a subsidy of R\$56,920 in the six-month period ended August 31, 2019 (R\$588,252 as of February 28, 2019).

17. Income and social contribution taxes

Reconciliation of amounts recorded in profit or loss

	Individual		Consolidated	
	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018
Income before taxes	62,875	134,310	75,207	148,107
Statutory rates (*)	34%	34%	34%	34%
Income and social contribution taxes at statutory rate	(21,378)	(45,665)	(25,570)	(50,356)
Permanent (additions) exclusions				
Equity pickup	11,214	16,688	(772)	(2,918)
State VAT (ICMS) subsidy	19,353	8,115	19,353	8,115
Payment of interest on equity	19,040	6,800	19,040	6,800
Taxation on foreign gain from disposal of subsidiary	-	(4,148)	-	(4,148)
Other permanent exclusions (additions)	(1,195)	(4,469)	2,651	6,031
Amount recorded in profit or loss	27,034	(22,679)	14,702	(36,476)
Effective rates	-43.0%	16.9%	-19.5%	24.6%

(*) Income tax is calculated at the rate of 25% for subsidiaries located in Uruguay; 27% for those located in Chile; and 29.5% for those located in Peru. The rate difference is stated under "Other permanent exclusions (additions)". No social contribution tax is levied in these countries.

Deferred income and social contribution taxes

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Temporary differences - assets				
Allowance for doubtful accounts	2,157	1,921	2,833	2,761
Provision for profit sharing	2,787	2,943	2,787	2,943
Provision for losses – ICMS (state VAT)	-	-	-	461
Provision for contingencies	12,031	11,563	12,031	11,723
Net operating losses (NOL)	34,266	4,379	34,266	4,379
Provision for losses on advances to suppliers	2,724	2,656	2,724	2,724
Provision for inventory losses	2,306	2,189	2,306	2,189
Provision for losses of tax credits	1,017	105	1,017	105
Provision for sales discounts	2,434	2,404	2,434	2,404
Provision for restructuring losses	12,161	12,242	12,161	12,242
Other temporary provisions	2,627	3,554	7,830	11,756
	74,510	43,956	80,389	53,687

Notes to interim financial information

August 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Temporary differences - liabilities				
Difference between accounting goodwill and tax goodwill	41,032	41,032	41,032	41,032
On allocation to intangible assets	38,985	38,985	57,704	56,912
On allocation to PP&E	16,722	17,135	16,722	17,135
PP&E deemed cost	32,057	33,074	32,057	33,074
Costs to be amortized - debentures	5,713	2,924	5,713	2,924
Deferral on fair value adjustment – SLC Alimentos Ltda. (*)	-	-	-	17,759
Other temporary differences	525	562	12,814	13,662
	135,034	133,712	166,042	182,498
Deferred income and social contribution taxes, net				
Noncurrent liabilities	60,524	89,756	85,653	128,811

(*) Due to the merger of subsidiary SLC Alimentos Ltda., the surplus values calculated as per the preliminary report are now deductible for income and social contribution tax purposes. Accordingly, the respective deferred taxes were reversed (Note 8).

18. Sales and service revenue, net

	Individual		Consolidated	
	03/01/2019 to	03/01/2018 to	03/01/2019 to	03/01/2018 to
	08/31/2019	08/31/2018	08/31/2019	08/31/2018
Gross sales and service revenue				
Domestic market	2,083,464	1,724,561	2,596,842	2,235,736
Foreign market	71,590	62,195	261,312	265,799
	2,155,054	1,786,756	2,858,154	2,501,535
Sales deductions				
Sales taxes	(165,040)	(145,570)	(185,211)	(166,117)
Returns and rebates	(158,984)	(137,320)	(212,261)	(185,416)
	(324,024)	(282,890)	(397,472)	(351,533)
	1,831,030	1,503,866	2,460,682	2,150,002

19. Expenses by nature

	Individual		Consolidated	
	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018
Expenses by function				
Cost of goods sold	(1,439,869)	(1,114,576)	(1,890,214)	(1,570,584)
Selling expenses	(224,106)	(192,744)	(309,978)	(287,497)
General and administrative expenses	(112,304)	(106,924)	(156,194)	(142,399)
	(1,776,279)	(1,414,244)	(2,356,386)	(2,000,480)
Expenses by nature				
Materials and raw material	(1,253,960)	(959,697)	(1,555,465)	(1,279,159)
Third-party services	(56,075)	(50,501)	(72,170)	(67,025)
Maintenance	(44,401)	(34,439)	(52,148)	(43,861)
Personnel	(145,639)	(137,888)	(227,309)	(230,793)
Freight	(161,622)	(126,062)	(230,599)	(189,550)
Sales commissions	(10,880)	(7,457)	(13,499)	(9,659)
Electric power	(17,351)	(13,286)	(23,620)	(24,462)
Depreciation and amortization	(30,335)	(29,199)	(51,473)	(50,322)
Amortization of the right-of-use asset (Note 12)	(12,423)	-	(15,988)	-
Lease (Note 12)	(864)	(12,237)	(13,268)	(28,167)
Taxes and rates	(4,439)	(3,944)	(13,260)	(11,159)
Export expenses	(7,772)	(8,925)	(19,207)	(14,845)
Other	(30,518)	(30,609)	(68,380)	(51,478)
	(1,776,279)	(1,414,244)	(2,356,386)	(2,000,480)

20. Finance income (expense), net

	Individual		Consolidated	
	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018	03/01/2019 to 08/31/2019	03/01/2018 to 08/31/2018
Finance expense				
Interest on loans	(49,411)	(32,685)	(56,085)	(40,573)
Interest on leases (Note 12)	(2,364)	-	(2,715)	-
Derivatives	(23,136)	(34,002)	(23,136)	(34,172)
Foreign exchange rate variation	(3,104)	(3,457)	(3,121)	(17,552)
Monetary variation	(2,100)	(6,909)	(5,348)	(6,827)
Other	(6,741)	(4,638)	(9,376)	(8,034)
	(86,856)	(81,691)	(99,781)	(107,158)
Finance income				
Interest income	3,126	828	3,622	2,262
Discounts	2,037	1,801	3,619	2,089
Short-term investments	20,898	20,406	26,775	25,041
Derivatives	26,498	46,724	26,498	46,724
Foreign exchange rate variation	1,995	4,344	3,100	11,059
Monetary variation	7,142	1,762	7,142	1,819
Other	3	22	17	4
	61,699	75,887	70,773	88,998
	(25,157)	(5,804)	(29,008)	(18,160)

21. Risk management and financial instruments

As mentioned in Note 1, the Company's business and that of its subsidiaries involves the industrial processing and sale in Brazil and abroad of various products, particularly rice, beans, sugar and fish.

The estimated realizable values of the financial assets and liabilities of the Company and its subsidiaries were determined based on available market information and proper valuation methodologies.

a) Fair value measurement

The Company measures financial instruments, such as short-term investments and derivatives, at fair value every statement of financial position date. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an uncommitted transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a nonfinancial asset takes into consideration the capacity of a market participant to generate economic benefits through the best use of the asset, or selling it to other market participant that would also make best use of the asset. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. These valuation methodologies were not changed in the years presented.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are classified within the fair value hierarchy described below, based on the lowest level input that is significant to the overall fair value measurement:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable;
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is not available.

For the purposes of fair value disclosures, the Company determined classes of assets and liabilities based on the nature, characteristics and risks of assets or liabilities and the fair value hierarchy level, as mentioned above. The corresponding fair value disclosures of financial instruments and nonfinancial assets measured at fair value or at the time of disclosure of fair values are summarized in their respective notes. Based on its assessment, management understands that the fair values of significant financial instruments presented have no significant differences in relation to their corresponding carrying amounts, as follows:

	Level	Individual			
		08/31/2019		02/28/2019	
		Carrying amount	Fair value	Carrying amount	Fair value (restated)
Financial assets					
Amortized cost					
Accounts receivable	2	374,936	374,936	434,807	434,807
		374,936	374,936	434,807	434,807
Measured at fair value through profit or loss					
Cash and cash equivalents	2	466,156	466,156	310,684	310,684
Short-term investments	2	339,385	339,385	31,459	31,459
Derivative financial instruments	2	-	-	350	350
		805,541	805,541	342,493	342,493
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	237,018	237,018	284,004	284,004
Loans and financing	2	1,745,818	1,745,818	1,042,934	1,042,934
Contas a pagar	2	52,523	52,523	50,901	50,901
		2,035,359	2,035,359	1,377,839	1,377,839
Measured at fair value through profit or loss					
Derivative financial instruments	2	285	285	-	-
		285	285	-	-

		Consolidated			
		08/31/2019		02/28/2019	
	Level	Carrying amount	Fair value	Carrying amount	Fair value (restated)
Financial assets					
Amortized cost					
Accounts receivable	2	634,728	634,728	690,536	690,536
		634,728	634,728	690,536	690,536
Measured at fair value through profit or loss					
Cash and cash equivalents	2	492,058	492,058	331,775	331,775
Short-term investments	2	339,385	339,385	31,459	31,459
Derivative financial instruments	2	-	-	511	511
		831,443	831,443	363,745	363,745
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	500,998	500,998	423,204	423,204
Loans and financing	2	2,141,820	2,141,820	1,428,859	1,428,859
Contas a pagar	2	52,523	52,523	50,901	50,901
		2,695,341	2,695,341	1,902,964	1,902,964
Measured at fair value through profit or loss					
Derivative financial instruments	2	285	285	-	-
		285	285	-	-

The balances of cash and cash equivalents, as well as of short-term investments, are stated at fair value, which are equivalent to their carrying amounts at the statement of financial position date.

Derivatives are also recognized based on their respective estimated fair values based on the respective contracts and observable market inputs that include the changes in currencies in which the derivatives are designated. In these cases, the assets and liabilities are classified under Level 1. Additional information concerning derivatives and their measurement is as follows:

Risk	Currency	Number of agreements	Principal	Hedging instrument amount	Liability balance at 08/31/2019
Future imports	US dollar	105	5,250	21,700	(181)
Future imports	Euro	30	1,500	6,821	(104)
Balance at 08/31/2019		135	6,750	28,521	(285)

The balances of trade accounts receivable result from the Company's commercial operations and are recorded at their original amounts and subject to exchange and monetary differences, estimated loss on doubtful accounts and discounts granted occasionally.

The balances of trade accounts payable arise from the Company's commercial operations and are recorded at their original amounts, subject to foreign exchange and monetary restatements, as applicable.

Loans, financing and debentures are classified as financial liabilities measured at amortized cost by the effective interest rate method and are recorded for their contractual amounts that reflect the usual terms and conditions obtained in the market. Accordingly, the fair values of these loans and financing approximates their carrying amounts at the statement of financial position date.

b) Risk factors that may affect the business of the Company and its subsidiaries

The operations of the Company and its subsidiaries are subject to the following main risks.

Credit risk

The Company and its subsidiaries are subject to counterparty credit risk in their operations involving short-term investments and accounts receivable.

Sales policies of the Company and its subsidiaries are subject to the credit policies established by management and are designed to minimize any problems arising from customer default. This goal is achieved through the careful selection of customer portfolio that takes into consideration their creditworthiness (credit rating) and the diversification of sales (risk dilution). The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk. Short-term investments are always kept in banks listed among the 10 largest in the country.

In the six-month period ended August 31, 2019, there was no individual customer accounting for more than 10% of the Company's and its subsidiaries' total net revenue.

Liquidity risk

Liquidity risk represents shortage of funds intended for payment of debts (substantially loans and financing). The Company and its subsidiaries adopt cash monitoring policies to avoid mismatching of accounts receivable and payable. In addition, the Company has readily redeemable short-term investments to cover any mismatches between the maturity of its contractual obligations and its cash flow. The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk.

Price risk - inputs and finished products

The main inputs used in the Company's and its subsidiaries' industrial process are agricultural commodities, the prices of which are subject to fluctuations as a result of public agricultural fostering policies, seasonal crops and climate change, which may result in losses due to fluctuations in market prices. To minimize this risk, the Company continually monitors price fluctuations in the local and international markets. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

Market risk

i. Interest rate risk

This risk arises from the possibility of the Company incurring losses due to fluctuations in interest rates that increase its finance costs relating to loans and financing, or reduce the gains on its investments. The Company continuously monitors the volatility of the market interest rates. In order to reduce the possible impacts resulting from fluctuations in interest rates, the Company and its subsidiaries adopt the policy of keeping their funds invested in instruments pegged to the CDI. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

ii. Foreign exchange rate risk

The Company uses derivative financial instruments, mainly financial hedge, to hedge its imports against the risk of fluctuations in foreign exchange rates.

Gains and losses on derivative transactions are recognized on a daily basis in the statement of profit or loss, considering the realization amount of these instruments (market value). The provision for unrealized gains and losses is recognized in “Derivatives financial instruments”, in the statement of financial position, and matched against “Gains/losses on derivatives, net”, in results.

c) Sensitivity analysis

The following table presents a sensitivity analysis of financial instruments, describing the risks that may generate material loss to the Company, with the most probable scenario (scenario 1) according to management’s assessment, and considering a twelve-month time span at the end of which the next financial information containing such analysis shall be disclosed. In addition, two other scenarios are stated, in order to present 25% and 50% deterioration in the risk variable considered, respectively (scenarios 2 and 3).

Debts and short-term investments

Financial transactions relating to cash investment and funding pegged to currencies other than the Brazilian real and CDI are subject to exchange rate (USD/BRL, CLP/BRL, PEN/BRL, and EUR/BRL) and interest rate fluctuations (CDI).

Program	Instrument	Risk	Rate	Scenario 1 Probable R\$	Scenario 2 (-) 25% R\$	Scenario 3 (-) 50% R\$
Loans and financing	Debentures	Fluctuation of CDI	5.90%	(61,733)	(77,166)	(92,600)
Total				(61,733)	(77,166)	(92,600)
Variation (loss)					(15,433)	(30,867)

Debt (foreign exchange rate variation)

Program	Instrument	Risk	Rate	Scenario 1	Scenario 2	Scenario 3
				Probable R\$	25% R\$	50% R\$
Financing	Debt denominated in USD	Fluctuation of BRL/USD	4.0367	6,771	(60,328)	(127,426)
Financing	Debt denominated in PEN*	Fluctuation of BRL/PEN	1.1912	(6,171)	(36,750)	(67,328)
Financing	Debt denominated in CLP**	Fluctuation of BRL/CLP	0.0057	284	(8,743)	(17,771)
Total				884	(105,821)	(212,525)
Variation (loss)					(106,705)	(213,409)

(*) PEN – Peruvian Nuevo Sol

(**) CLP – Chilean pesos

Cash and cash equivalent investments and short-term investments (interest rate decrease)

Program	Instrument	Risk	Annual rate	Scenario 1	Scenario 2	Scenario 3
				Probable R\$	(-) 25% R\$	(-) 50% R\$
Cash investments	Short-term investments	Fluctuation of CDI	5.90%	47,791	35,843	23,896
Total				47,791	35,843	23,896
Variation (loss)					(11,948)	(23,895)

Cash and cash equivalent investments and short-term investments (depreciation of Real)

Program	Instrument	Risk	Rate	Scenario 1	Scenario 2	Scenario 3
				Probable R\$	(-) 25% R\$	(-) 50% R\$
Cash investments	Short-term investments	Fluctuation of BRL/CLP	0.0057	25,700	19,275	12,850
Total				25,700	19,275	12,850
Variation (loss)					(6,425)	(12,850)

Derivatives designated as hedge (depreciation of Real)

Program	Instrument	Risk	Rate	Scenario 1	Scenario 2	Scenario 3
				Probable R\$	(-) 25% R\$	(-) 50% R\$
Imports	Derivatives	Fluctuation of BRL/USD	4.0367	(534)	(4,758)	(10,049)
Imports	Derivatives	Fluctuation of BRL/EURO	4.5222	(39)	(1,657)	(3,352)
Total				(573)	(6,415)	(13,401)
Variation (loss)					(5,842)	(12,828)

The sources of information for the rates used above were obtained from the Central Bank of Brazil (BACEN).

22. Segment information

The management defined the strategic model of the business, basing the Company's decisions between the Brazilian and international segments.

The segments of the group carry out operations with each other and have the same accounting practices as described in Note 2.

The Company's segment information is included in the following tables:

	Food product - Brazil		Food product - International		Food product – Consolidated	
	08/31/2019	02/28/2019	08/31/2019	02/28/2019	08/31/2019	02/28/2019
Assets						
Current assets	2,168,353	1,635,202	1,143,043	848,373	3,311,396	2,483,575
Noncurrent assets	1,483,904	1,156,728	594,724	796,357	2,078,628	1,953,085
Total assets	3,652,257	2,791,930	1,737,767	1,644,730	5,390,024	4,436,660
Liabilities						
Current liabilities	984,195	629,708	658,638	477,915	1,642,833	1,107,623
Noncurrent liabilities	1,371,991	994,385	116,736	165,537	1,488,727	1,159,922
Total liabilities	2,356,186	1,624,093	775,374	643,452	3,131,560	2,267,545

	Food products - Brazil		Food products - International		Food products – Consolidated	
	03/01/2019	03/01/2018	03/01/2019	03/01/2018	03/01/2019	03/01/2018
	to 08/31/2019	to 08/31/2018	to 08/31/2019	to 08/31/2018	to 08/31/2019	to 08/31/2018
Gross sales						
Internal market	2,084,293	1,725,418	512,549	510,318	2,596,842	2,235,736
External market	71,590	62,195	189,722	203,604	261,312	265,799
	2,155,883	1,787,613	702,271	713,922	2,858,154	2,501,535
Sales deduction						
Sales tax	(168,814)	(148,748)	(16,397)	(17,368)	(185,211)	(166,116)
Returns and rebates	(159,077)	(137,581)	(53,184)	(47,836)	(212,261)	(185,417)
	(327,891)	(286,329)	(69,581)	(65,204)	(397,472)	(351,533)
Net sales	1,827,992	1,501,284	632,690	648,718	2,460,682	2,150,002
Cost of sales and services	(1,432,282)	(1,111,582)	(457,932)	(459,002)	(1,890,214)	(1,570,584)
Gross profit	395,710	389,702	174,758	189,716	570,468	579,418
Selling, general and administrative expenses	(296,106)	(272,212)	(102,605)	(107,362)	(398,711)	(379,574)
Depreciation and amortization	(44,646)	(30,765)	(22,815)	(19,557)	(67,461)	(50,322)
Other operating income (expenses) and equity pickup	558	2,072	(639)	14,673	(81)	16,745
Income before finance income and costs	55,516	88,797	48,699	77,470	104,215	166,267
Finance expense	(86,894)	(81,739)	(12,887)	(25,419)	(99,781)	(107,158)
Finance income	61,707	75,888	9,066	13,110	70,773	88,998
Pretax income	30,329	82,946	44,878	65,161	75,207	148,107
Income tax and social contribution	25,732	(23,868)	(11,030)	(12,608)	14,702	(36,476)
Net income for the period	56,061	59,078	33,848	52,553	89,909	111,631