



Press Release

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Minerva Launches Operations in Paraguay

Barretos, August 6, 2008 – Minerva S.A. (BOVESPA: BEEF3; Bloomberg: BEEF3.BZ; Reuters: BEEF3.SA), one of the market leaders in Brazil in the production and sale of beef, leather and live cattle exports, informs its shareholders and the market in general that it acquired today a controlling interest in Friasa S.A., a Paraguayan company. Friasa leases a meatpacking plant located in the city of Asunción Paraguay, with slaughter capacity of 700 head/day. Minerva paid US\$4 million to acquire shares representing a 70% interest in the equity of Friasa. The transaction agreement also provides for the lease by Friasa of the meatpacking plant for a period of five years, which may be renewed for an equal period.

The acquisition marks the start of Minerva's international expansion in the Mercosur trade bloc, and is part of the Company's strategy of geographical diversification and insertion in new markets. Paraguay, currently the world's 8th largest beef exporter, has a livestock of 11 million heads of cattle and offers excellent potential for improvements in productivity (output rate currently at 14%) and sanitary status, with the country recently recognized by the World Organization for Animal Health (OIE) as free of foot-and-mouth disease with vaccination. In addition to exporting to destinations such as Russia, South Africa, Vietnam, Israel, Hong Kong, amongst others, the country is also qualified to export to the important Chilean market, where it holds 55% market share. Advanced negotiations are also underway for the opening up of markets in the European Union to Paraguayan fresh beef exports.

According to the country's animal health agency Senacsa, in the first five months of this year, Paraguay's fresh beef exports grew by 37% to 73,005 tons, and by 90% in revenue terms to US\$257 million, representing the highest growth rate of any Mercosur country. Another important factor was the average price per ton of US\$3,523. In view of this scenario, the local meatpacking industry has received strong support from the government in view of its important contribution to the country's GDP, the inflow of foreign exchange and the large number of people it employs. Meat exports accounted for 22% of Paraguay's total exports.

Paraguay

Over the past decade, Paraguay has maintained a stable political scenario and sustainable economic growth. The country's GDP grew by 6.8% in 2007, with livestock production serving as the main driver. With a population of 6.1 million, Paraguay also boasts a much more favorable outlook in the international economic environment, with international reserves of more than US\$3.1 billion, compared with US\$241 million in 2002. This economic and political stability has led Paraguay to become a promising country for foreign investments.

According to the understanding of Minerva's management, this acquisition does not constitute a material investment, in accordance with Article 256, Item I of Brazilian Corporate Law (Federal Law 6,404 of 1976, as amended).

Investor Relations

E-Mail: ri@minerva.ind.br

About Minerva S.A.

Minerva S.A. is one of the leading producers and sellers of beef, leather and live cattle in Brazil, and is one of the country's three largest exporters in the sector in terms of gross revenue, exporting to some 80 countries. The Company has a slaughter capacity of 5,500 head/day, processing capacity of 1,300 tons/day and a leather capacity of 5,000 hides/day. Minerva is present in the states of São Paulo, Goiás, Tocantins and Mato Grosso do Sul, where it operates six slaughterhouses, seven deboning plants and two tanneries, as well as distribution centers located in Olímpia and São Bernardo do Campo. In 2007 Minerva posted net sales of R\$1.5 billion, ranking fourth in the industry.

