

Agreements between Minerva and BRF

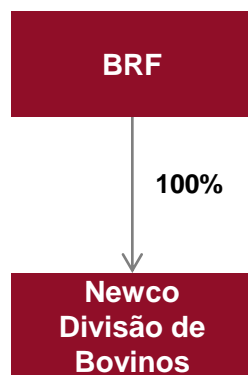
November 2013

Minerva Foods

1. Transaction

BRF's Assets Drop-Down

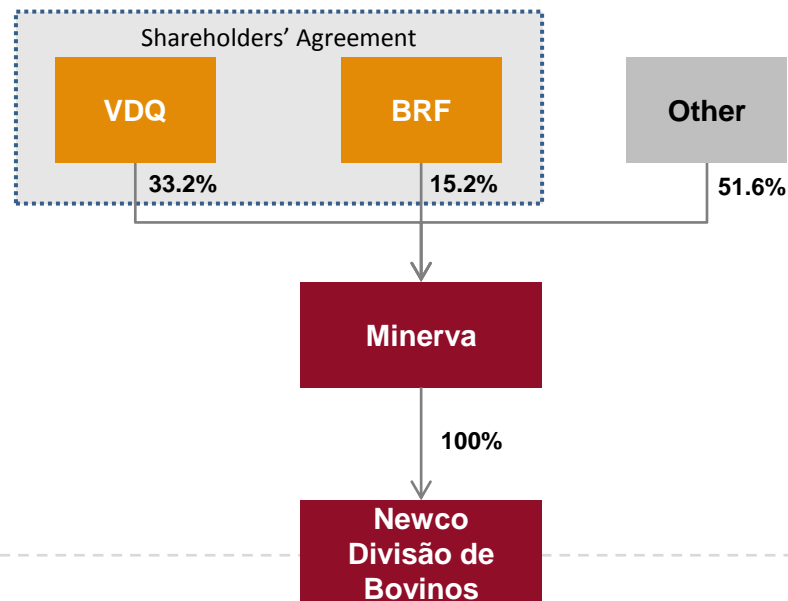
- Drop down of all BRF's cattle slaughtering and deboning assets
- Creation of Newco Divisão de Bovinos:
 - ✓ Cattle slaughtering operating assets and liabilities
 - ✓ Units:
 - Mirassol D'Oeste (MT)
 - Várzea Grande (MT)
 - ✓ Net debt: zero



The Transaction

- Minerva Foods takes over Newco Divisão de Bovinos
- Issuance of 29 million new shares (BEEF3) to BRF
- Minerva Foods and BRF sign agreement for beef supply with minimum volume granted
- VDQ and BRF sign a Shareholders' Agreement
- BRF starts operating in the cattle slaughtering and deboning segment via Minerva Foods

Ownership structure after debenture conversion



1. Transaction

Shareholders' Agreement (VDQ and BRF)

■ Effectiveness: 10 years

■ Administration:

- ▶ BD: 10 members
 - VDQ: 5 members, including Chairman and first Vice-Chairman
 - BRF: 2 members, including the second Vice-Chairman
 - 3 independent members

■ Qualified Matters:

- ▶ Any act that increases the Company's leverage to above: (i) 4.2x EBITDA until 2015 and (ii) 3,5x EBITDA from 2016 onwards
- ▶ Change in the corporate purpose
- ▶ Delisting from Novo Mercado
- ▶ Corporate reorganizations

■ Liquidity:

- ▶ Minimum free float of 35%
- ▶ Share lock-up of 2 years for BRF and VDQ

2. Rationale

Minerva Foods

- Focus on the core business
- Expansion process focused on geographical diversification (guided by the business plan), entering in the state with the biggest cattle herd in Brazil
- Continuous deleveraging process through cash generation and strategic acquisitions
- 22.6% increase in production volume
- Strategic partnership with BRF
- Potential gains of efficiency and operational synergies on the BRF's plants
- Continuous improvement in transparency and excellence in corporate governance
- Transaction concludes the acquisitions cycle in Brazil

3. MinervaFoods Industrial Units

Mirassol D'Oeste

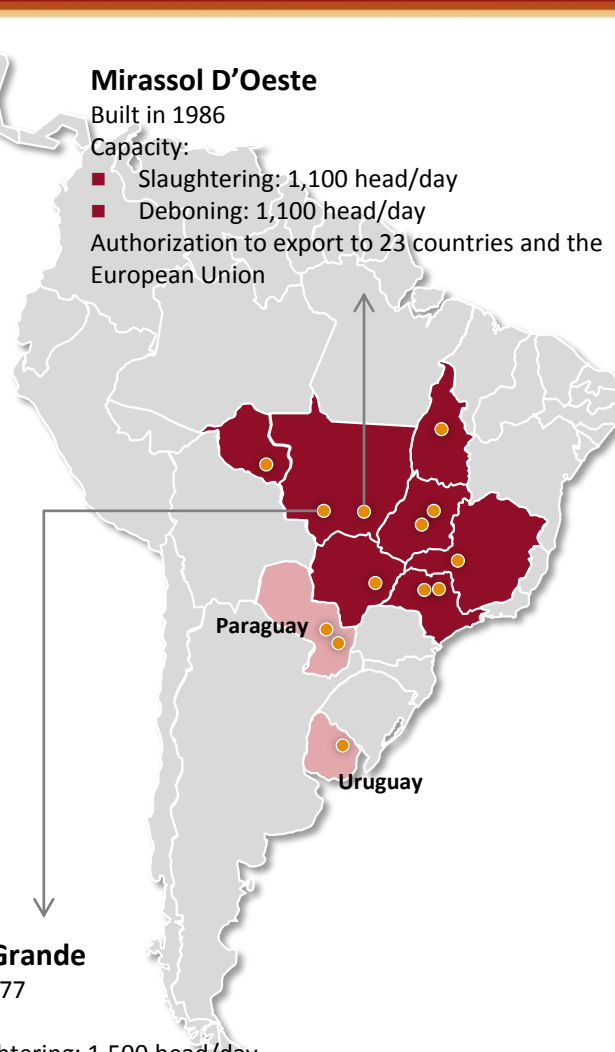
Built in 1986

Capacity:

■ Slaughtering: 1,100 head/day

■ Deboning: 1,100 head/day

Authorization to export to 23 countries and the European Union



Várzea Grande

Built in 1977

Capacity:

■ Slaughtering: 1,500 head/day

■ Deboning: 1,100 head/day

Authorization to export to 32 countries and the European Union

Unit	Region	Slaughtering capacity*	Deboning capacity*
Barretos	SP	840	1,677
José Bonifácio	SP	1,000	1,392
Palmeiras de Goiás	GO	2,000	2,532
Baytaporã	MS	900	1,266
Araguaína	TO	800	1,899
Goianésia	GO	500	791
Rolim de Moura	RO	1,500	1,582
Campina Verde	MG	840	-
Melo (Pull)	Uruguay	1,400	949
Assunção (Friasa)	Paraguay	700	823
Assunção (Frigomerc)	Paraguay	1,000	1,266
Total before Transaction		11,480	14,177
Várzea Grande	MT	1,500	1,100
Mirassol D'Oeste	MT	1,100	1,100
Total After Transaction		14,080	16,377

+22.6%

* Head/day

3. MinervaFoods Steady Growth

2005



• Industrial Units

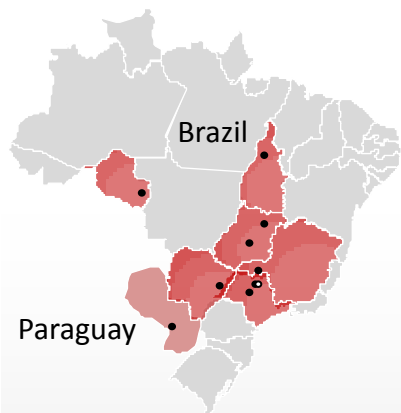
- 3 Slaughtering plants
- 2 Distribution centers

2007



- 5 Slaughtering plants
- 3 Distribution centers

2010



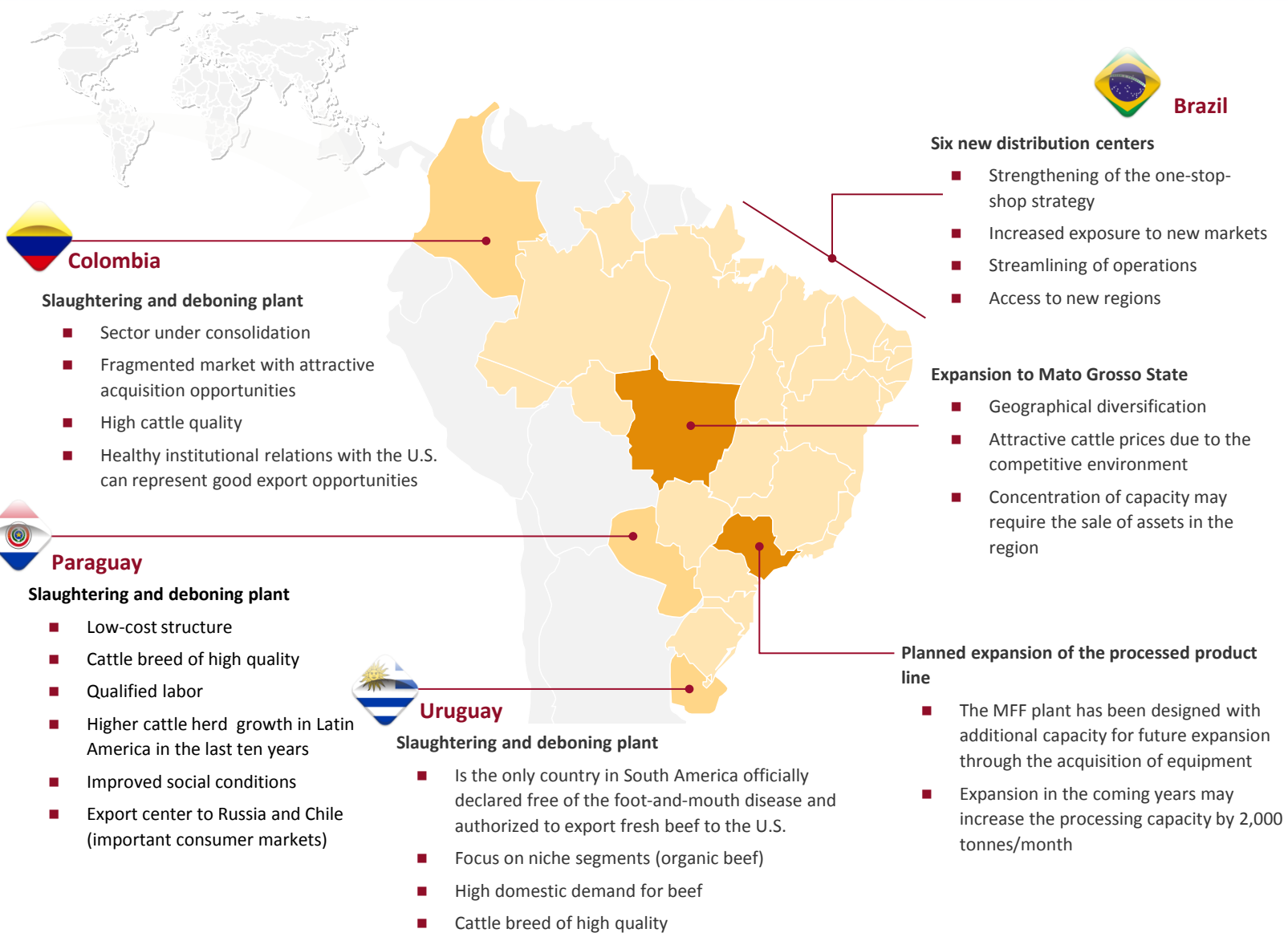
- 8 Plants in Brazil
- 1 Plants in Paraguay
- 1 Processed product plant – MFF
- 8 Distribution centers

2013



- 10 Plants in Brazil
- 2 Plants in Paraguay
- 1 Plant in Uruguay
- 1 Processed product plant – MFF
- 12 Distribution centers

3. MinervaFoods Investment Targets Accomplished



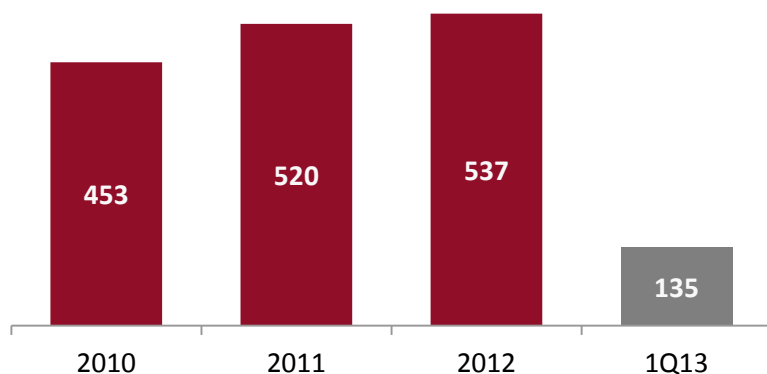
✓ Opening of 2 DCs in 2013

✓ Acquisition of 2 slaughtering plants in Mato Grosso

✓ Ongoing investments expected to increase production capacity to 3,300 tonnes/month in 2015

3. Deal Figures After Acquisition

Operational Data –Slaughtering Plants Mato Grosso ('000 heads)



Financial Indicators LTM 2Q13 (R\$ million)

	Minerva Foods	BRF bovinos**
Net Revenue	4,876.4	1,180.3
EBITDA	522.4	50.0
Net Debt	1,729.6	0

** Considers estimated data in 2012

Sensitivity analysis

Scenarios	EBITDA BRF Cattle Operation**	Consolidated EBITDA *	Net debt/consolidated EBITDA
EBITDA margin 5%	59	581	2.97x
EBITDA margin 7.5%	89	611	2.83x
EBITDA margin 10%	118	640	2.70x
EBITDA margin 12.5%	148	670	2.58x

*LTM 2Q13 (R\$ million)

**Considers 2012 estimated net revenue