

1Q18 Earnings Release

Minerva Foods

Barretos, May 9, 2018 – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTC - Nasdaq International: MRVSY), the South American leader in the export of fresh beef and cattle byproducts, which also operates processed foods segment, announces today its results for the first quarter of 2018 (1Q18). The financial and operating information herein is presented in BRGAAP and Brazilian reais (R\$), in accordance with International Financial Reporting Standards (IFRS).



1Q18 Highlights

Minerva (BEEF3)

Price on 05/09/2018:
R\$7.80

Market cap:
R\$1,744.2 million

223,618,459 shares

Free Float – 50.4%

Conference calls

May 10, 2018

Portuguese

2:00 p.m. (Brasília)

1:00 p.m. (US EST)

Phone: +55 (11) 2188 0155

Code: Minerva

English

4:00 p.m. (Brasília)

3:00 p.m. (US EST)

Phone: +1 (646) 843-6054

Code: Minerva

IR Contact:

Eduardo Puzziello
Kelly Barna
Matheus Oliveira
Luiza Puoli

Phone: (11) 3074-2444

ri@minervafoods.com

- ✓ Gross revenue totaled R\$3,752 million in 1Q18, of which 46%, or R\$1.7 billion, from the Brazilian Industry Division; 40%, or R\$1.5 billion, from the International Industry Division; and the remainder (14% or R\$533 million), from the Trading Division. Exports accounted for 63% of consolidated revenue, fueled by seasonally lower demand for beef in the domestic market. In the last 12 months, Minerva posted record gross revenue of R\$14,431 million, up 43% year on year.
- ✓ Net revenue amounted to R\$3,531 million in 1Q18, accompanied by a gross margin of 17.2%. In LTM1Q18, net revenue reached R\$13.5 billion, 42.7% more than in LTM1Q17. Including pro-forma revenue from the new units acquired in Mercosur, LTM1Q18 net revenue came to approximately R\$14.5 billion, in line with the guidance announced by the Company for the next 12 months as of July 2017, ranging between R\$13.0 billion and R\$14.4 billion. Based on this result, the Company is maintaining this guidance.
- ✓ First-quarter EBITDA totaled R\$285.0 million, up 44.3% on 1Q17, while the EBITDA margin reached 8.1%. In the last 12 months, adjusted EBITDA totaled R\$1,304.0 million, up 39.4% year on year.
- ✓ In 1Q18, Minerva accounted for 22% of South American exports and remained the largest beef exporter in the continent. After the implementation of the operating system in Argentina at the end of 1Q18, the integration process of the new units acquired in the Mercosur region now is under the process of applying the best operational and commercial practices. This has already created business opportunities, which we are seizing through our distribution channels, trading companies and international offices.
- ✓ Operating cash flow was R\$187.6 million and free cash flow to equity was R\$51.6 million in 1Q18. The cash position totaled R\$3.9 billion on 3/31/2018. At the close of 1Q18, financial leverage, measured by the net debt/LTM Adjusted EBITDA ratio, was 4.5x.
- ✓ Finally, it is worth noting the expectation of the opening of new markets to South American beef producers in the coming months: Japan will open to Uruguayan beef, Indonesia and the reopening of the United States to Brazilian beef, and the United States to Argentine beef.



Message from Management

The first quarter of 2018 was positive for South American beef exporters. The continued imbalance between the global supply of beef and growing international demand (mainly driven by heavy consumption in Asia and the Middle East) has created excellent business opportunities for cattle producers in the region. In 1Q18, Brazilian export volume increased 21% over 1Q17, while Uruguayan and Argentine export volume climbed 16% and 56%, respectively. All in all, the region has been responsible for nearly one third of global beef exports and Minerva accounted for 22% of this volume, remaining the regional leader in beef exports.

The competitive advantages of the region have helped South American countries increase their access to other markets. Some examples of this trend include the expected opening of Indonesia and the reopening of the United States to Brazilian beef; the opening of North America to Argentine beef; and the opening of Japan to Uruguayan beef in the coming months.

In this scenario, Minerva's exports once again performed exceptionally well, accounting for 63% of total fresh beef revenue, versus 57% in 4Q17 and 60% in 1Q17, especially thanks to the Company's geographical diversification, combined with the efficient use of risk management tools that support the decision about the product sales mix. In Brazil, gross revenue from fresh beef exports grew 40% year on year in 1Q18. The Mercosur units also recorded impressive growth, of over 120%, driven by both organic export growth and the new units in Paraguay, Argentina and Uruguay. Even compared with 4Q17, when the Company recorded strong results, volume from our Brazilian and Mercosur units moved up more than 5%.

Despite typical first-quarter seasonality, domestic sales continued to reflect a structural increase in beef consumption in Brazil, Argentina, Paraguay, Chile and Colombia, in line with the prospect of better macroeconomic conditions in these countries.

The integration process of the newly acquired Mercosur units was concluded in early April, with the implementation of the operating system in Argentina. Now that the integration process has been completed, we will continue pursuing operational and commercial improvements through the adoption of efficiency programs in all the units.

Our attention is now fully focused on the Company's financial deleveraging. Although we usually see operating cash consumption in the first quarter, our operations were able to generate R\$52 million in value. This cash generation, combined with LTM EBITDA of R\$1.3 billion, is already contributing to the reduction of leverage.

Finally, it is worth noting that, over the last 10 years, we grew and expanded our production platform in South America, making us the most diversified beef company. In 2017, we took a bold step forward, increasing our capacity by more than 50%, all of which abroad. This growth changed the dynamics of our result, which would not be fully represented in the breakdown of data we used to disclose to the market. We are thus pleased to present, as of this earnings release, a breakdown that more accurately represents the Company's new reality. We aim to provide transparent information to our stakeholders at all times and have decided to segment information based on the different dynamics of each region and/or business area. There are now three business areas: the Brazilian Industry Division, the International Industry Division and the Trading Division, each with its own peculiarities. We have also separated the "Industry Overview" section of the earnings release, turning it into a separate report, which will be disclosed to the market before the Company's earnings release. Other reports will be created and sent to the market in order to help analysts and investors have a better understanding of the particularities of our operations. We believe this new breakdown and these new products will render the Company's analysis more accurate, allowing the market to better perceive our specificities.

Fernando Galletti de Queiroz, CEO



Results Analysis

Key Consolidated Indicators

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Total slaughter ('000 head)	855.7	522.3	63.8%	869.3	-1.6%	3,109.2	2,136.3	45.5%
Slaughter – Brazil	426.0	322.9	31.9%	441.6	-3.5%	1,707.2	1,371.7	24.5%
Slaughter – International	429.7	199.4	115.5%	427.7	0.5%	1,402.1	764.5	83.4%
Total sales volume ('000 tons)	263.8	167.8	57.2%	293.6	-10.1%	1,005.2	743.8	35.1%
Volume – Brazil	145.7	120.0	21.3%	154.0	-5.4%	584.8	537.1	8.9%
Volume – International	118.2	47.8	147.4%	139.5	-15.3%	420.4	206.7	103.4%
Gross revenue	3,752.4	2,302.9	62.9%	4,251.6	-11.7%	14,430.9	10,090.6	43.0%
Export market	2,346.1	1,393.0	68.4%	2,402.8	-2.4%	8,554.6	6,146.2	39.2%
Domestic market	1,406.2	909.9	54.6%	1,848.8	-23.9%	5,876.3	3,944.4	49.0%
Net Revenue ⁽¹⁾	3,531.4	2,141.9	64.9%	3,964.7	-10.9%	14,549.2	9,453.0	53.9%
Adjusted EBITDA ⁽¹⁾	285.0	197.6	44.3%	363.4	-21.6%	1,304.0	935.3	39.4%
Adjusted EBITDA margin ⁽¹⁾	8.1%	9.2%	-1.2 p.p.	9.2%	-1.1 p.p.	9.0%	9.9%	-0.9 p.p.
Net debt/LTM adjusted EBITDA ⁽¹⁾ (x)	4.5	3.8	0.7	4.6	-0.1	4.5	3.8	0.7
Net income (loss)	-114.7	2.5	n.a.	-313.3	-63.4%	-397.9	151.2	-363.2%

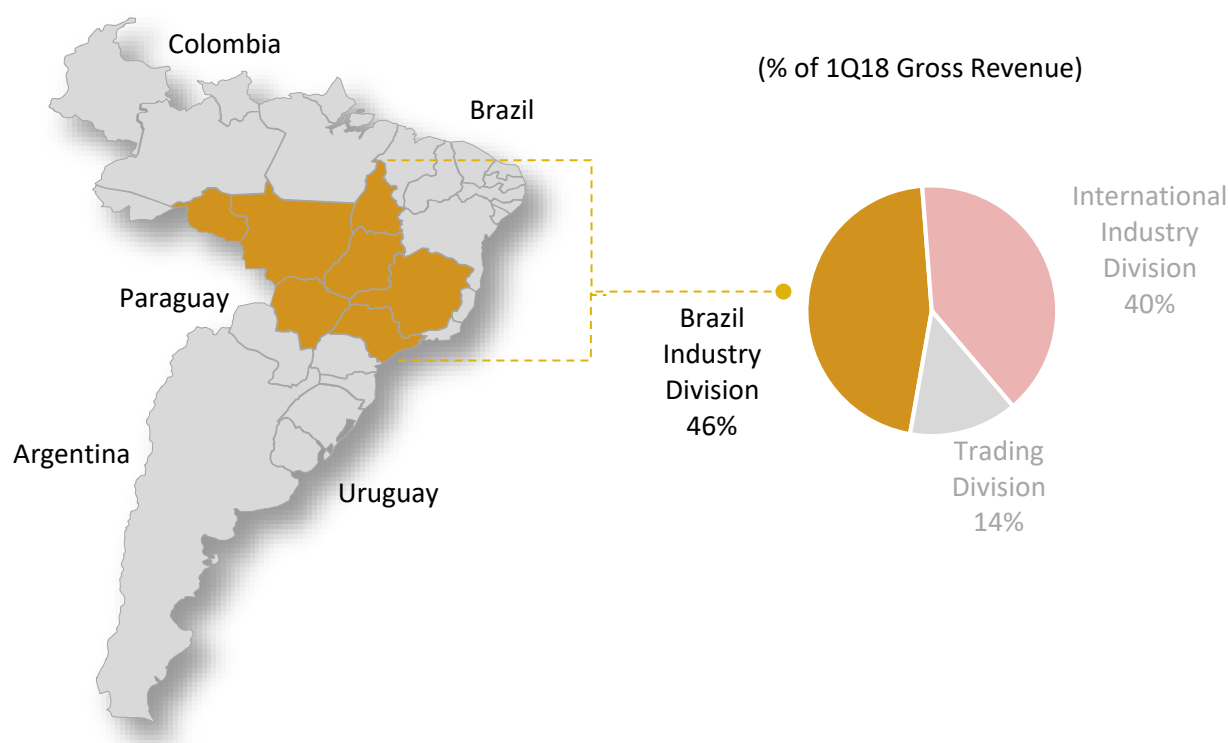
(1) LTM1Q18 includes pro-forma net revenue and EBITDA figures of the Mercosur assets acquired on August 1, 2017

New Areas of Operation

In order to improve communication with the market and facilitate the understanding of its business areas, Minerva has adopted, as of this earnings release, a new revenue reporting structure based on the areas of operation described below:

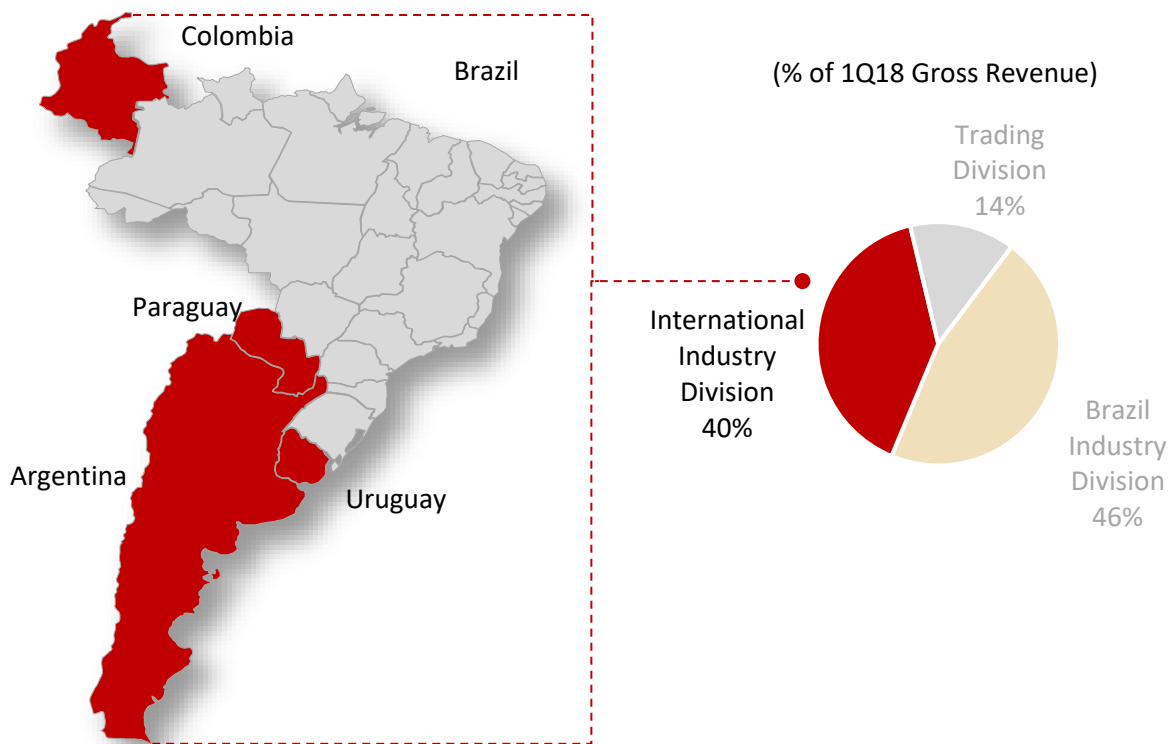
Brazilian Industry Division: It consists of the result from production of fresh beef, slaughter byproducts, such as offal, tripe, tallow, bone meal, biodiesel and leather, and processed foods, such as portioned meals and Minerva Fine Foods products, in Brazil, sold both in the domestic and the export market.

Figures 1 and 2 – Brazilian Industry Division and % of Gross Revenues



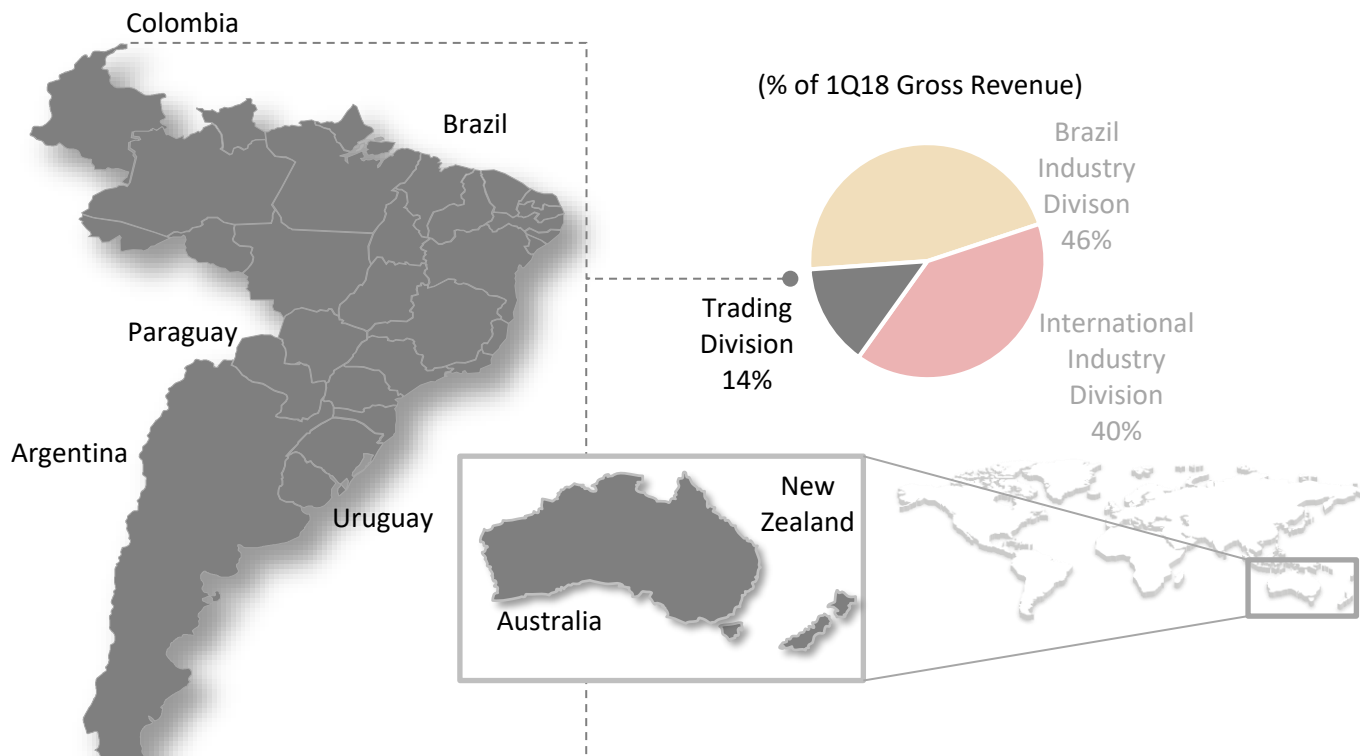
International Industry Division: It consists of the result from production, in Paraguay, Argentina, Uruguay and Colombia, of fresh beef, slaughter byproducts, such as offal, tripe, tallow, bone meal, biodiesel and leather, and processed foods, such as portioned meals and Swift products in Argentina, sold both in the domestic and the export market.

Figures 3 and 4 – International Industry Division and % of Gross Revenue



Trading Division: The productive sources from this division are spread in South America and Oceania. It consists of the result from the Live Cattle and Protein Trading segments in the export market, the Protein Trading and Resale of Third-party Products segments in the domestic market and the Energy Trading segment only in the Brazilian domestic market.

Figures 5 and 6 – Trading Division and % of Gross Revenue



You can find the new breakdown since 2015 in Excel at www.minervafoods.com/ri in Investor Services section – “Fundamentals and Spreadsheet”.



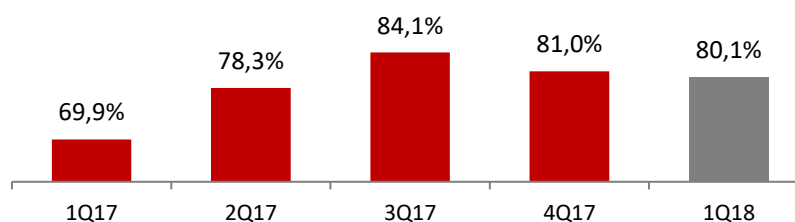
Results by Division

Slaughter

BRAZILIAN INDUSTRY DIVISION

In 1Q18, the Company's slaughter volume in Brazil came to 426,000 head of cattle, 32% more than in 1Q17, reflecting the increase in domestic consumption and South American exports, thanks to the imbalance between global beef supply and demand. The capacity utilization rate of the Company's Brazilian units reached 80.1%, up 10.2 p.p. on the same period last year.

Figure 7 - Installed Capacity Utilization - Brazil

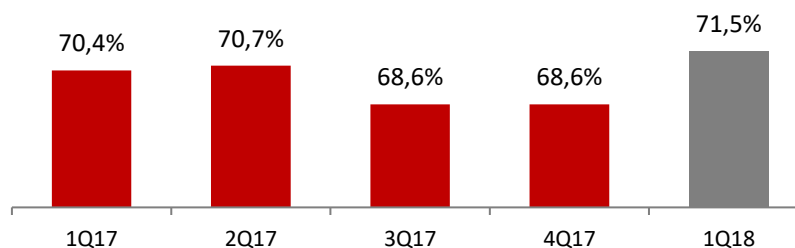


Source: Minerva

INTERNATIONAL INDUSTRY DIVISION

In 1Q18, slaughter volume in Paraguay, Argentina, Uruguay and Colombia came to 429,700 head of cattle and the capacity utilization rate of this Division reached 71.5%, 2.9 p.p. more than in 4Q17, due to the integration process of the new Mercosur units.

Figure 8 - Installed Capacity Utilization - International



Source: Minerva

Gross Revenue by Division

BRAZILIAN INDUSTRY DIVISION

Gross revenue from the Brazilian Industry Division totaled R\$1,732.7 million in 1Q18, 21.6% higher than in 1Q17 and 13.1% lower than in 4Q17. In the last 12 months ended March 2018, gross revenue from this division stood at R\$7,201.0 million, down 6.7% year on year.

Export Market – 66.4% of Gross Revenue from the Brazilian Industry Division in 1Q18

Brazilian exports generated revenue of R\$1,150.6 million in 1Q18, 32.2% higher than gross export revenue in 1Q17 and 6.1% lower than in 4Q17. This result reflected consumption in Asia and the Middle East, which remained high even during the first quarter. In LTM1Q18, gross revenue totaled R\$4,630.0 million, up 10.6% year on year.

We present below the Division’s exports by region between LTM1Q17 and LTM1Q18

Africa: In LTM1Q18, Africa’s share of the Division’s exports declined 2 p.p. year on year, accounting for 16% of the total.

Americas: In LTM1Q18, the Americas accounted for 10% of the Division’s exports, 2 p.p. more than in the same period of 2017.

Asia: Asia’s share of the Division’s exports fell 2 p.p. between LTM1Q17 and LTM1Q18, accounting for 25% of the Brazilian Division’s total exports.

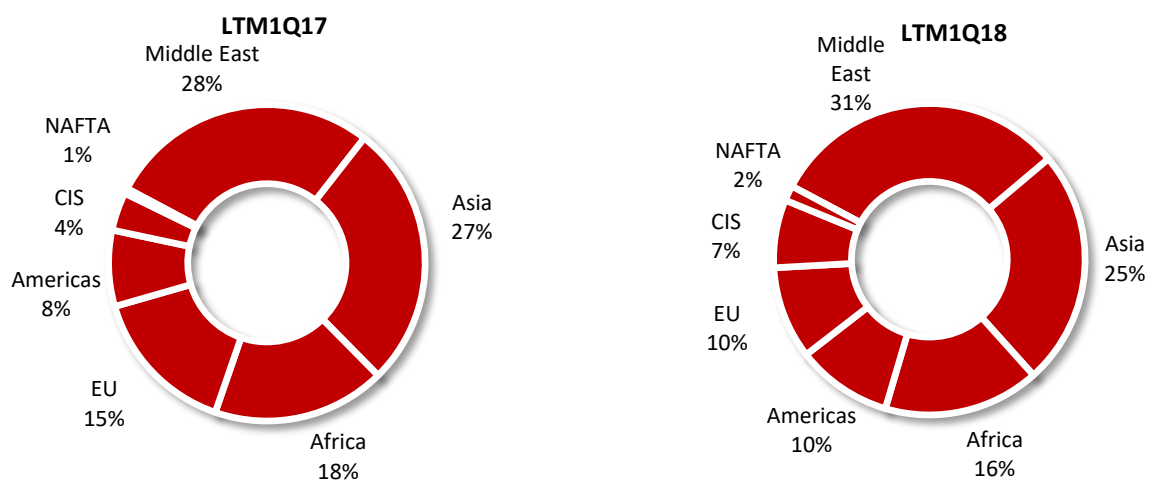
CIS (Commonwealth of Independent States): The Commonwealth of Independent States, represented mainly by Russia, accounted for 7% of the Brazilian Division’s exports in LTM1Q18, 3 p.p. more than in LTM1Q17. It is worth noting that Russia has banned Brazilian beef imports since December 2017. As a result, Minerva rerouted the production of beef for Russia to the International Division.

Europe: Europe was the destination of 10% of the Division’s exports in the last 12 months ended March 2018, down 5 p.p. year on year.

NAFTA: In LTM1Q18, NAFTA accounted for 2% of the Brazilian Division’s total export revenue, up 1 p.p. year on year.

Middle East: The Middle East’s share of Brazilian beef exports came to 31% in LTM1Q18, 3 p.p. more than in the same period last year, thanks to constant growth in demand from these countries.

Figures 9 and 10 - Breakdown of Exports by Region - Brazil



Source: Minerva

We present below a complete breakdown of the Brazilian Industry Division:

Gross revenue (R\$ Million)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	1,020.7	729.8	39.9%	1,068.6	-4.5%	3,991.9	3,550.77	12.4%
Byproducts – EM	120.2	127.7	-5.8%	146.5	-17.9%	573.4	569.9	0.6%
Processed foods – EM	9.7	12.8	-24.7%	10.1	-4.3%	64.7	65.7	-1.5%
Subtotal – EM	1,150.6	870.3	32.2%	1,225.3	-6.1%	4,630.0	4,186.4	10.6%
Fresh beef – DM	424.4	363.8	16.7%	598.1	-29.0%	1,918.7	1,751.9	9.5%
Byproducts – DM	103.1	126.7	-18.6%	111.6	-7.6%	429.5	557.0	-22.9%
Processed foods – DM	54.5	64.6	-15.6%	59.1	-7.8%	222.8	252.0	-11.6%
Subtotal – DM	582.0	555.1	4.9%	768.8	-24.3%	2,571.0	2,560.9	0.4%
Total	1,732.7	1,425.4	21.6%	1,994.1	-13.1%	7,201.0	6,747.3	6.7%

Volume ('000 tons)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	65.7	42.0	56.4%	62.2	5.8%	246.0	196.2	25.4%
Byproducts – EM	23.4	22.2	5.3%	26.5	-11.8%	98.1	96.1	2.1%
Processed foods – EM	0.5	0.6	-18.1%	0.6	-16.3%	3.38	3.1	9.0%
Subtotal – EM	89.6	64.8	38.3%	89.2	0.4%	347.5	295.3	17.7%
Fresh beef – DM	31.2	27.3	14.4%	41.6	-25.0%	144.07	129.5	11.2%
Byproducts – DM	21.5	24.2	-10.8%	19.7	9.5%	79.5	90.7	-12.3%
Processed foods – DM	3.4	3.8	-12.2%	3.6	-5.7%	13.7	21.6	-36.4%
Subtotal – DM	56.1	55.2	1.5%	64.8	-13.5%	237.3	241.8	-1.8%
Total	145.7	120.0	21.3%	154.0	-5.4%	584.8	537.1	8.9%

Average price – EM (US\$/kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	4.8	5.5	-13.4%	5.3	-9.6%	5.0	5.5	-8.1%
Byproducts – EM	1.6	1.8	-13.4%	1.7	-6.9%	1.8	1.8	1.0%
Processed foods – EM	6.3	7.1	-10.9%	5.5	14.4%	5.9	6.4	-7.3%
Total	4.0	4.3	-7.3%	4.2	-6.4%	4.1	4.3	-3.6%
Average dollar (Source: BACEN)	3.25	3.15	3.2%	3.25	-0.1%	3.22	3.30	-2.5%

Average price – EM (R\$/Kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	15.5	17.4	-10.6%	17.2	-9.7%	16.2	18.1	-10.3%
Byproducts – EM	5.1	5.8	-10.6%	5.5	-7.0%	5.8	5.9	-1.5%
Processed foods – EM	20.4	22.2	-8.0%	17.8	14.3%	19.1	21.2	-9.6%
Total	12.8	13.4	-4.4%	13.7	-6.5%	13.3	14.2	-6.0%

Average price – DM (R\$/Kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – DM	13.6	13.3	2.0%	14.4	-5.4%	13.3	13.5	-1.6%
Byproducts – DM	4.8	5.2	-8.7%	5.7	-15.6%	5.4	6.1	-12.1%
Processed foods – DM	16.2	16.9	-3.8%	16.6	-2.1%	16.2	11.7	39.1%
Total	10.4	10.0	3.3%	11.9	-12.5%	10.8	10.6	2.3%

EM – Export Market, DM – Domestic Market

Domestic Market – 33.6% of Gross Revenue from the Brazilian Industry Division in 1Q18

In 1Q18, the domestic operations of this Division were impacted by first-quarter seasonality, with lower average beef consumption. In this scenario, gross revenue from the Brazilian Industry Division totaled R\$582.0 million in the quarter, 24.3% lower than in 4Q17, but 4.9% higher than in 1Q17. In LTM1Q18, domestic gross revenue totaled R\$2,571.0 million, up 0.4% year on year.

INTERNATIONAL INDUSTRY DIVISION

Gross revenue from the International Industry Division, comprising units in Paraguay, Argentina, Uruguay and Colombia totaled R\$1,489.9 million in 1Q18, 164.8% higher than in 1Q17 and 1.3% more than in 4Q17. It is worth noting that the figures for the first quarter of 2017 did not include the new Mercosur units (acquired on August 1, 2017). In the last 12 months ended March 2018, gross revenue from this division totaled R\$4,734.6 million, up 120.6% on LTM1Q17.

Export Market – 68.9% of Gross Revenue from the International Industry Division in 1Q18

In 1Q18, gross revenue from the International Industry Division’s exports totaled R\$1,026.4 million, 129.2% more than in 1Q17 and up 6.2% on 4Q17. This result was caused by the recovery of Argentine exports (especially to Europe, Russia and China) and Paraguayan exports to Russia and Chile. In LTM1Q18, gross export revenue totaled R\$3,238.0 million, 98.7% more than in LTM1Q17.

We present below the exports of the International Industry Division by region between LTM1Q17 and LTM1Q18:

Africa: Africa’s share of Minerva’s exports increased 1 p.p. between LTM1Q17 and LTM1Q18, accounting for 2% of total exports of the International Division.

Americas: The Americas accounted for 29% of the Division’s exports in the last 12 months ended March 2018, down 4 p.p. year on year.

Asia: In LTM1Q18, Asia’s share of exports of the International Division increased 6 p.p. year on year, to 28% of the total.

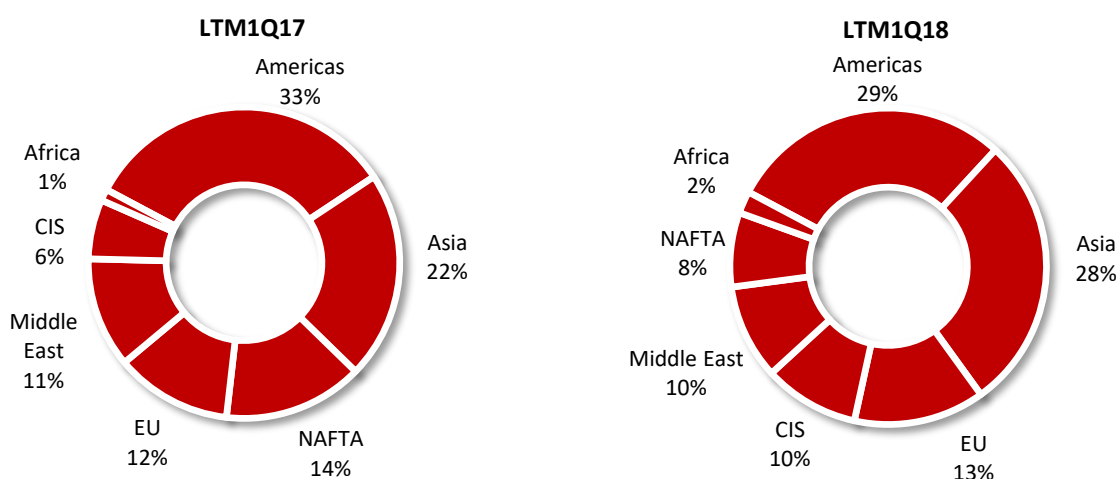
CIS (Commonwealth of Independent States): The Commonwealth of Independent States accounted for 10% of the International Division’s exports in LTM1Q18, 4 p.p. more than in LTM1Q17. It is worth noting that, due to the ban on Brazilian exports to Russia, the Company rerouted its exports to Paraguay, Argentina and Colombia.

Europe: In LTM1Q18, Europe was the destination of 13% of the Division’s exports, 1 p.p. more than in LTM1Q17.

NAFTA: The NAFTA region accounted for 8% of beef exports of the International Division in LTM1Q18, 6 p.p. less than in the same period last year.

Middle East: In LTM1Q18, the Middle East accounted for 10% of the International Division’s total export revenue, down 100 bps year on year.

Figures 11 and 12 - Breakdown of Exports by Region – International



Source: Minerva

We present below a complete breakdown of the International Industry Division:

	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	899.2	402.6	123.4%	862.1	4.3%	2,874.4	1,478.4	94.4%
Byproducts – EM	126.7	45.2	180.7%	103.9	22.0%	362.1	153.9	135.2%
Processed foods – EM	0.5	0.0	n.a.	0.4	23.5%	1.5	0.0	n.a.
Subtotal – EM	1,026.4	447.7	129.2%	966.4	6.2%	3,238.0	1,632.3	98.4%
Fresh beef – DM	243.8	90.4	169.7%	298.3	-18.3%	924.4	407.5	126.8%
Byproducts – DM	58.6	24.4	140.0%	63.8	-8.2%	192.6	106.5	80.8%
Processed foods – DM	161.0	0.1	n.a.	142.2	13.2%	379.7	0.1	n.a.
Subtotal – DM	463.4	114.9	303.4%	504.4	-8.1%	1,496.6	514.1	191.1%
Total	1,489.9	562.6	164.8%	1,470.8	1.3%	4,734.6	2,146.4	120.6%

Volume ('000 tons)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	61.0	29.1	109.7%	57.5	6.2%	195.4	104.6	86.8%
Byproducts – EM	11.2	4.6	140.5%	14.5	-22.8%	44.2	16.3	170.7%
Processed foods – EM	0.0	0.0	n.a.	0.0	-26.1%	0.2	0.0	n.a.
Subtotal – EM	72.2	33.7	114.0%	72.0	0.3%	239.8	120.9	98.3%
Fresh beef – DM	20.1	10.7	88.3%	24.6	-18.6%	77.3	43.5	77.8%
Byproducts – DM	13.1	3.4	288.7%	31.7	-58.8%	71.5	42.3	69.1%
Processed foods – DM	12.8	0.0	n.a.	11.2	14.7%	31.8	0.0	n.a.
Subtotal – DM	46.0	14.0	227.7%	67.5	-31.9%	180.6	85.8	110.5%
Total	118.2	47.8	147.4%	139.5	-15.3%	420.4	206.7	103.4%

Average price – EM (US\$/kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	4.5	4.4	3.2%	4.6	-1.7%	4.6	4.3	6.7%
Byproducts – EM	3.5	3.1	13.1%	2.2	58.2%	2.5	2.9	-10.9%
Processed foods – EM	4.4	0.0	n.a.	2.6	67.2%	2.9	0.0	n.a.
Total	4.4	4.2	3.8%	4.1	6.0%	4.2	4.1	2.6%
Average dollar (Source: BACEN)	3.25	3.15	3.2%	3.25	-0.1%	3.22	3.30	-2.5%

Average price – EM (R\$/Kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – EM	14.7	13.8	6.5%	15.0	-1.8%	14.7	14.1	4.1%
Byproducts – EM	11.3	9.7	16.7%	7.2	58.1%	8.2	9.4	-13.1%
Processed foods – EM	14.2	n.a.	n.a.	8.5	67.1%	9.4	n.a.	n.a.
Total	14.2	13.3	7.1%	13.4	5.9%	13.5	13.5	0.0%

Average price – DM (R\$/Kg)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Fresh beef – DM	12.2	8.5	43.2%	12.1	0.4%	12.0	9.4	27.6%
Byproducts – DM	4.5	7.3	-38.2%	2.0	122.5%	2.7	2.5	6.9%
Processed foods – DM	12.6	14.2	-11.4%	12.7	-1.3%	11.9	14.2	-15.8%
Total	10.1	8.2	23.1%	7.5	35.0%	8.3	6.0	38.3%

EM – Export Market, DM – Domestic Market

Domestic Market – 31.1% of Gross Revenue from the International Industry Division in 1Q18

We have been increasingly using our production platforms to meet growing domestic demand in the different countries where we operate and we have made progress in the sale of products from different areas. In Argentina, after separating the strategies of the business units, the performance of Swift processed foods has stood out, with 3 p.p. market share gains in the last twelve months. This segment has sustainably grown into the distribution channels, specially into the physical distribution in the traditional retail. Supported by this strategy, gross revenue from the International Industry Division totaled R\$463.4 million in 1Q18, 303.4% more than in 1Q17 and 8.1% less than in 4Q17.

Although domestic consumption is lower in the first quarter, consumption is recovering in the Argentine and Paraguayan domestic market, in line with the improvement in these countries' macroeconomic indicators. In the last 12 months, domestic revenue from this division totaled R\$1,496.6 million, up 198.5% year on year.

TRADING DIVISION

Exports accounted for 31.9% of gross revenue from this Division, which reached R\$169.1 million, 125.6% more than in 1Q17 and 19.9% less than in 4Q17. One of the main drivers of the positive performance of this Division was the normalization of Live Cattle exports, which generated revenue four times higher than in 1Q17 and up 32% on 4Q17. Domestic sales accounted for 68.1% of gross revenue from the Trading Division, which totaled R\$360.8 million in 1Q18, 50.4% higher than in 1Q17, but 37.3% lower than in the previous quarter. This quarter, the local market performance was fueled by the resale of third-party products, which climbed 90% over 1Q17 revenue and 61% over 4Q17 revenue, thanks to the Company's commercial strategy implemented in the last few months, more focused on the performance of trading companies both in the domestic and in the export market and increased point-of-sale capillarity. In the last 12 months, gross revenue came to R\$2,495.2 million, up 108.5% year on year.

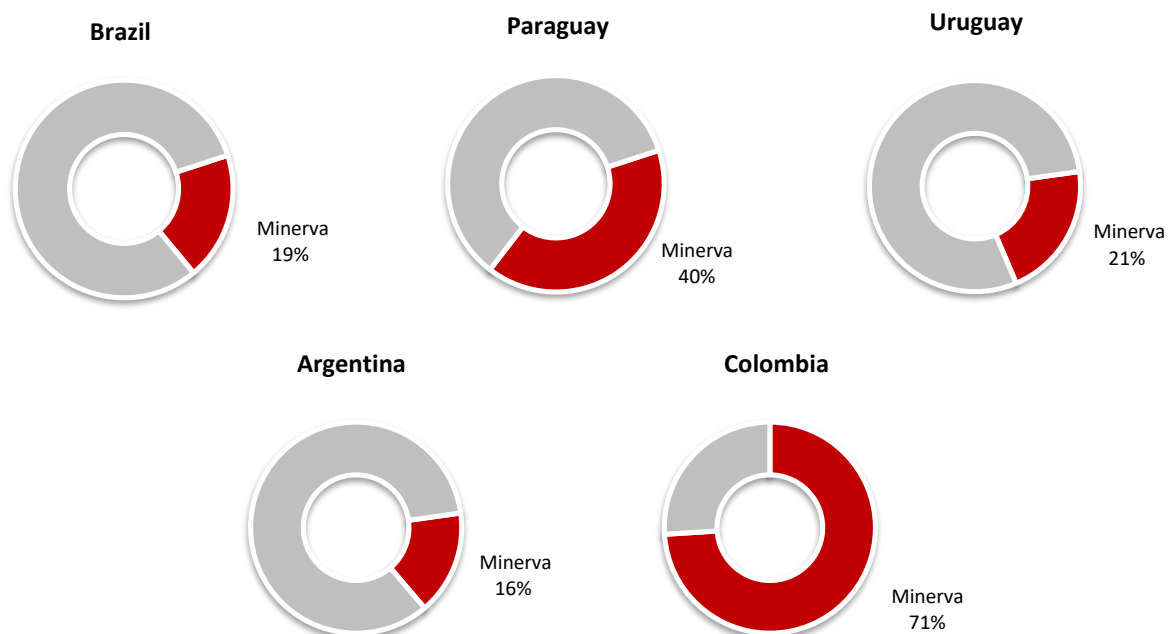
Trading gross revenue	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Trading gross revenue	529.9	314.9	68.3%	786.7	-32.7%	2,495.2	1,196.9	108.5%
Export market	169.1	75.0	125.6%	211.1	-19.9%	686.5	327.5	109.6%
Domestic market	360.8	239.9	50.4%	575.6	-37.3%	1,808.7	869.4	108.0%

 **Consolidated Results Analysis**

Exports – Market Share by Country

In 1Q18, Minerva remained one of the leading exporters in the countries where it operates. In Brazil, the Company had a market share of 19% in the period. In Paraguay, the Company reached a record market share of 40%, 100 bps higher than in 4Q17. Minerva accounted for 21%, 16% and 71% of exports in Uruguay, Argentina and Colombia, respectively.

Figures 13, 14, 15, 16 and 17 – 1Q18 Market Share (% of Revenue)



Source: Minerva, Secex, INAC, SENACSA, Senasa and DANE

Gross Revenue

Based on the performance of the Divisions, the Company's gross revenue totaled R\$3,752.4 million in 1Q18, 62.9% more than in the same period last year. In the last 12 months ended March 2018, gross revenue stood at R\$14,430.9 million, up 43.0% on LTM1Q17.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Gross revenue	3,752.4	2,302.9	62.9%	4,251.6	-11.7%	14,430.9	10,090.6	43.0%
Brazilian Industry Division	1,732.7	1,425.4	21.6%	1,994.1	-13.1%	7,201.0	6,747.3	6.7%
International Industry Division	1,489.9	562.6	164.8%	1,470.8	1.3%	4,734.6	2,146.4	120.6%
Trading Division	529.9	314.9	68.3%	786.7	-32.7%	2,495.2	1,196.9	108.5%

Net Revenue

First-quarter net revenue came to R\$3,531.4 million, up 64.9% on 1Q17. In the last 12 months ended March 2018, net revenue totaled R\$13,493.2 million, up 42.7% on LTM1Q17.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Gross revenue	3,752.4	2,302.9	62.9%	4,251.6	-11.7%	14,430.9	10,090.6	43.0%
Deductions and discounts	-221.0	-160.9	37.4%	-286.9	-22.9%	-937.7	-637.6	47.1%
Net revenue ⁽¹⁾	3,531.4	2,141.9	64.9%	3,964.7	-10.9%	13,493.2	9,453.0	42.7%
% Gross revenue	94.1%	93.0%	1.1 p.p.	93.3%	0.9 p.p.	93.5%	93.7%	-0.2 p.p.

(1) LTM1Q18 excludes pro-forma net revenue figures of the Mercosur assets acquired on August 1, 2017

Cost of Goods Sold (COGS) and Gross Margin

In 1Q18, COGS came to 83.6% of net revenue, or 16.4% in terms of gross margin. The 280 bps year-on-year decline in the gross margin stemmed from the effect of the consolidation of the new Mercosur units as of August 2017, combined with the impact of the *Carne Fraca* Operation on arroba prices in March and April 2017, benefitting industry margins in that period.

R\$ million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Net revenue	3,531.4	2,141.9	64.9%	3,964.7	-10.9%	13,493.2	9,453.0	42.7%
COGS	-2,952.2	-1,730.8	70.6%	-3,263.4	-9.5%	-11,088.1	-7,641.7	45.1%
% Net revenue	83.6%	80.8%	2.8 p.p.	82.3%	1.3 p.p.	82.2%	80.8%	1.3 p.p.
Gross profit	579.1	411.1	40.9%	701.3	-17.4%	2,405.1	1,811.3	32.8%
Gross margin	16.4%	19.2%	-2.8 p.p.	17.7%	-1.3 p.p.	17.8%	19.2%	-1.3 p.p.

Selling, General and Administrative Expenses

Selling expenses represented 6.5% of 1Q18 net revenue, in line with the 4Q17 figure and down 0.7 p.p. from 1Q17. General and administrative expenses as a percentage of net revenue fell 0.5 p.p. year on year and 0.2 p.p. quarter on quarter, due to the development of the integration process of the Mercosur operations.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Selling expenses	-230.8	-148.9	54.9%	-256.8	-10.1%	-833.0	-597.2	39.5%
% Net revenue	6.5%	7.0%	-0.4 p.p.	6.5%	0.1 p.p.	6.2%	6.3%	-0.1 p.p.
G&A expenses	-134.5	-92.1	46.0%	-157.3	-14.5%	-548.4	-360.9	52.0%
% Net revenue	3.8%	4.3%	-0.5 p.p.	4.0%	-0.2 p.p.	4.1%	3.8%	0.2 p.p.

EBITDA

EBITDA adjusted for non-cash and non-recurring items (totaling R\$21.4 million) came to R\$285.0 million, 44.3% higher than in 1Q17, but around 22% lower than in 4Q17. The first-quarter adjusted EBITDA margin was 8.1%. The non-recurring items this quarter referred to the settlement of fiscal debts with state credit taxes. In the last 12 months, EBITDA adjusted for non-recurring items and the pro-forma figures of the Mercosur assets totaled R\$1,304.0 million, accompanied by a 9.0% adjusted EBITDA margin.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Net income (loss)	-114.7	2.5	n.a.	-313.3	-63.4%	-397.9	151.2	n.a.
(+/-) Deferred income and social contribution taxes	-9.1	37.3	n.a.	37.9	n.a.	33.2	33.3	-0.5%
(+/-) Asset impairment	0.0	0.0	n.a.	0.0	n.a.	0.0	21.9	-100.0%
(+/-) Financial result	336.2	132.6	153.5%	580.4	-42.1%	1,394.2	643.5	116.7%
(+/-) Depreciation and amortization	51.3	25.2	103.5%	58.6	-12.5%	171.1	85.4	100.4%
EBITDA	263.6	197.6	33.4%	363.4	-27.5%	1,200.6	935.3	28.4%
EBITDA margin	7.5%	9.2%	-1.8 p.p.	9.2%	-1.7 p.p.	8.9%	9.9%	-1.0 p.p.
(+/-) Pro-forma EBITDA from Mercosur assets	0.0	0.0	n.a.	0.0	n.a.	66.5	0.0	n.a.
(+) Adjustments to other expenses	21.4	0.0	n.a.	0.0	n.a.	36.9	0.0	n.a.
Adjusted EBITDA	285.0	197.6	44.3%	363.4	-21.6%	1,304.0	935.3	39.4%
Adjusted EBITDA margin	8.1%	9.2%	-1.2 p.p.	9.2%	-1.1 p.p.	9.0%	9.9%	-0.9 p.p.

Financial result

The financial result was negative by R\$336.2 million in 1Q18, down 42.1% from 4Q17, while in the last twelve months ended March, this line amounted to R\$1,394.2 million.

The FX variation line (non-cash) was negative by R\$48.4 million in 1Q18, influenced by the appreciation of the U.S. dollar against the real.

Financial expenses totaled R\$219.2 million in 1Q18, up 6.6% over 1Q17, but down 9.4% from 4Q17. "Other Revenue/Expenses" came in as expense of R\$79.3 million, mainly due to the prepayment of all the transaction costs related to the exercise of the call option for Bond 2023 and the payment of fees and commissions.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Financial expenses (interest)	-224.7	-205.7	9.2%	-241.9	-7.1%	-947.5	-842.9	12.4%
Financial income	16.2	27.8	-41.8%	18.4	-11.7%	92.6	137.6	-32.7%
FX variation	-48.4	138.3	-135.0%	-320.5	-84.9%	-371.2	476.9	-177.8%
Other revenue/expenses	-79.3	-93.1	-14.8%	-36.3	118.5%	-168.1	-415.0	-59.5%
Financial result	-336.2	-132.6	153.5%	-580.4	-42.1%	-1,394.2	-643.5	116.7%
Average dollar (R\$/US\$) (Source: BACEN)	3.25	3.15	3.2%	3.25	-0.1%	3.22	3.30	-2.5%
Closing dollar (R\$/US\$) (Source: BACEN)	3.32	3.17	4.9%	3.31	0.5%	3.32	3.17	4.9%

(*) Other Expenses (R\$ million)	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
FX hedge	-15.2	-3.1	390.3%	1.4	n.a.	-5.1	-214.3	-97.6%
Commodities hedge	-10.4	-19.6	-46.9%	-7.5	38.7%	-24.1	-51.8	-53.5%
Financial discounts, rates, commissions, sales discount and other financial expenses	-53.7	-70.4	-23.7%	-30.2	77.8%	-138.9	-149.0	-6.8%
Total	-79.3	-93.1	-14.8%	-36.3	118.5%	-168.1	-415.1	-59.5%

Net Result

In 1Q18, the Company posted a net loss before income and social contribution taxes of R\$123.8 million. After income and social contribution taxes, the net loss totaled R\$114.4 million, accompanied by a negative net margin of 3.2%, down 3.4 p.p. from 1Q17.

R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg	LTM1Q18	LTM1Q17	% Chg
Net income (loss) before income and social contribution taxes	-123.8	39.8	n.a	-275.5	-55.1%	-364.7	184.5	n.a
Income and social contribution taxes	9.1	-37.3	n.a	-37.9	-124.0%	-33.2	-33.3	-0.5%
Net income (loss)	-114.7	2.5	n.a	-313.3	-63.4%	-397.9	151.2	n.a
% Net margin	-3.2%	0.1%	-3.4 p.p.	-7.9%	4.7 p.p.	-2.9%	1.6%	-4.5 p.p.

**Cash Flow****Operating Cash Flow**

In the first quarter of 2018, operating cash flow was a positive R\$187.6 million. The variation in working capital requirements was positive by R\$32.8 million in the quarter, influenced by: (1) “Receivables” (+R\$341.0 million), related to a 10% decline in sales volume from 4Q17, due to seasonality, an increase in the sales of processed food in the Argentine domestic market, more austere collection policies in certain markets and conclusion of the consolidation of Mercosur operations, partially offset by (2) “Suppliers”, which consumed R\$234.4 million in cash, given that the Company bought more raw materials in cash in 1Q18.

R\$ Million	1Q18	1Q17	4Q17	LTM1Q18
Net income (loss)	-114.7	2.5	-313.3	-397.9
(+) Net income adjustments	269.5	150.7	672.7	1,454.0
(+) Variation in working capital requirements ⁽¹⁾	32.8	-36.5	-505.2	-460.4
Operating cash flow	187.6	116,8	-145.9	595.7

(1) Excluding equity valuation adjustments and accumulated conversion amounts.

Another item that benefited cash generation was the positive variation in the “Other Payables” line, reflecting the Company’s credit policy. As the Company rerouted a portion of its sales to clients in Asia and the Middle East, the positive variation in the subitem line “Customer Advances” came to R\$101.8 million in 1Q18.

R\$ Million	1Q18	4Q17	Variation
Customer advances	480.5	378.7	101.8

Free Cash Flow

Cash flow after capex, interest payments and working capital was positive by R\$51.6 million in 1Q18, as shown in the table below. In the last 12 months ended March 31, 2018, free cash flow was negative by R\$276.9 million, due to working capital consumption in 4Q17, combined with organic growth in the Brazilian units as of the second half of 2017 and the addition of the new Mercosur units as of August 2017.

R\$ Million	1Q18	4Q17	3Q17	2Q17	LTM1Q18
-------------	------	------	------	------	---------

EBITDA	285.0	363.4	311.8	277.3	1,237.5
(+) Capex (on a cash basis - ex-Mercosur)	-48.4	-72.7	-72.4	-65.0	-258.5
(+) Financial result (on a cash basis) ⁽¹⁾	-217.9	-226.0	-189.0	-162.6	-795.5
(+) Variation in working capital requirements ⁽²⁾	32.8	-505.2	293.4	-281.4	-460.4
Free cash flow	51.6	-440.5	343.8	-231.7	-276.9

(1) Considering the cash result from FX hedge

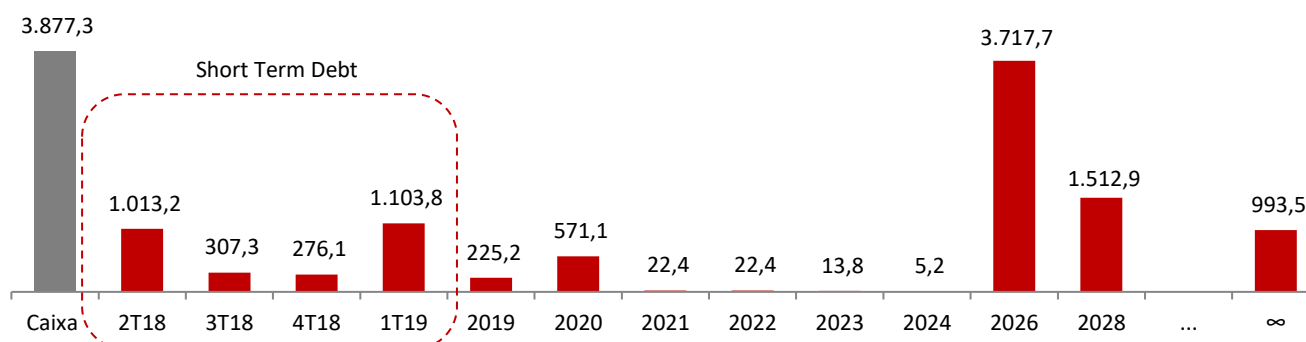
(2) Excluding equity valuation adjustments and accumulated conversion amounts.



Capital Structure

Minerva closed the first quarter of 2018 with cash and cash equivalents of R\$3.9 billion, which is sufficient to amortize its debt through 2024. It is worth mentioning that the current cash position is in line with the Company's cash policy of maintaining an amount of cash equivalent to at least three months of input purchases. Approximately 79.5% of total debt was exposed to the exchange rate variation at the end of March 2018. Leverage measured by the net debt/LTM adjusted EBITDA ratio was 4.53x on 3/31/2018, with debt duration of 5.7 years. In January 2018, the Company paid off the remaining amount of Bonds 2023.

Figure 18 – Debt amortization schedule on 3/31/2018
(R\$ million)



R\$ Million	1Q18	1Q17	% Chg	4Q17	% Chg
Short-term debt	2,700.4	1,206.0	123.9%	2,187.5	23.5%
% Short-term debt	27.6%	18.5%	9.1 p.p.	22.8%	4.8 p.p.
Local currency	1,502.5	773.6	94.2%	1,159.6	29.6%
Foreign currency	1,197.9	432.4	177.0%	1,027.8	16.5%
Long-term debt	7,084.1	5,310.4	33.4%	7,419.5	-4.5%
% Long-term debt	72.4%	81.5%	-9.1 p.p.	77.2%	-4.8 p.p.
Local currency	694.4	717.2	-3.2%	631.2	10.0%
Foreign currency	6,389.8	4,593.2	39.1%	6,788.4	-5.9%
Total debt	9,784.6	6,516.4	50.2%	9,607.0	1.8%
Local currency	2,196.9	1,490.8	47.4%	1,790.8	22.7%

Foreign currency	7,587.7	5,025.6	51.0%	7,816.2	-2.9%
(Cash and cash equivalents)	-3,877.3	-2,944.8	31.7%	-3,807.3	1.8%
Net debt ⁽¹⁾	5,900.9	3,540.8	66.7%	5,794.1	1.8%
Net debt/LTM adjusted EBITDA (x)	4.5	3.8	0.7	4.6	-0.1

(1) Net debt includes FIDC subordinated shares totaling R\$6.3 million in 1Q18, R\$30.7 million in 1Q17 and R\$5.6 million in 4Q17.



Investments

Investments in fixed assets totaled R\$48.4 million in 1Q18, R\$34.5 million of which went to operational maintenance, while R\$13.9 million was allocated to expansion of operations, related to the conclusion of the integration process of the new units.

See below the breakdown of investments (cash effect) by quarter in the last twelve months:

CAPEX (R\$ Million)	1Q18	4Q17	3Q17	2Q17	LTM1Q18
Maintenance	34.5	50.6	51.7	42.5	179.4
Expansion	13.9	22.1	20.7	22.5	79.2
Acquisition			1,113.6		1,113.6
Total	48.4	72.7	1,186.0	65.0	1,372.2



Organizational Restructuring

Organizational Restructuring – Operation and Financial

Over the last few years, Minerva has grown and expanded its production platform, which has made it possible to become the most diversified beef company in South America today. In 2017, another key step was taken in this strategy of geographical diversification and the Company increased its capacity in over 50%, entirely outside of Brazil. The growth increased the operational, commercial and financial complexity.

Given this new reality, in the executive environment, we have implemented a new management model, which will bring greater operational synergies, promote best practices, expedite the process of geographical arbitration and commercial decisions.

To this end, the Company created the position of “Global Chief Operating Officer”, occupied by Mr. Iain Anderson Mars, who will lead the following Operating Officers:

- i. Beef Brazil and Beef Colombia: Mr. Luis Ricardo Alves Luz;
- ii. Beef Argentina: Mr. Gustavo Kahl;
- iii. Beef Paraguay and Beef Uruguay: Mr. Patricio Silveira Quadrado; and
- iv. Other Businesses: Mr. Frederico de Alcântara Queiroz.

Mr. Mars will report directly to Minerva’s CEO.

Additionally, with the purpose of strengthening governance, streamlining and bringing focus to the decision-making processes, the financial department was also restructured, Mr. Eduardo de Toledo leaves the Company, and these three areas will report directly to the CEO:

- i. Controllership and Risk: Mr. Francisco de Assis Ferreira Filho;
- ii. Treasury: Mr. Nathan de Mello Fortunato Freire; and
- iii. Investor Relations: Mr. Eduardo Pirani Puzziello.

This reorganization aim, through a greater integration between the areas, achieve better results, that permit the advance in the process of deleveraging of the Company.

In the following paragraphs, a brief history of the Officers

Iain Anderson Mars - Mr. Mars joined Minerva in 2012. He has an extensive experience in the refrigeration industry and has been working in the sector for over 30 years. He earned a degree in Economics from the London School of Economics and has directed major companies in various countries such as Japan, Korea, Taiwan, Australia, Argentina, Egypt, Russia and the United Kingdom. Mr. Mars joined the Company's Management in the days it was still known as *Indústria e Comércio de Carnes Minerva* - he served as General Manager from 2001 to 2004 and returned in 2012 to serve as CEO of Minerva Fine Foods. He also served as Chief Commercial Officer of Minerva SA from September 2013 to November 2014, as Chief Operating Officer (COO) of the Company's Beef Brasil division from December 2014 to November 2016 and was the Company's Chief Commercial Officer (CCO) from December 2016 to May 2018.

Eduardo Pirani Puzziello - Mr. Puzziello has been with the Company since 2011. He holds a degree in Business Administration from the Pontifical Catholic University (PUC-SP) and an MBA in Capital Markets from the University of São Paulo (USP/Fipecafi). Mr. Puzziello started his professional career in 1998 at the insurance brokerage firm AON Risk Services, and also worked for BankBoston, Banco Santander, Corretora Fator, Banco Raymond James and Votorantim Corretora, where he held the position of sell side market analyst of several sectors. Between June 2009 and May 2010 he served as Minerva's Investor Relations Controller. He returned to the Company in November 2011 and in August 2012, Mr. Puzziello was elected for the position of Statutory Investor Relations Officer.

Nathan de Mello Fortunato Freire - Mr. Freire joined Minerva in 2010. In early 2018, he was appointed Treasury Director. With more than 14 years' experience in the financial sector, Mr. Freire worked at Bank Boston Asset Management as a Fixed Income Trader. After Bank Boston, he joined Black River Asset Management (Cargill Asset Management) as Senior Fixed Income Trader, where he later became Portfolio Manager. In 2009, he became a partner of BRL Capital Asset Management, covering the equity markets. Mr. Freire holds a bachelor's degree in Accounting from the School of Economics, Business and Accountancy of the University of São Paulo (FEA/USP) and an MBA in Finance and Economics, also from USP.

Francisco de Assis Ferreira Filho - Mr. Francisco de Assis Ferreira Filho holds a degree in Accounting Sciences from the University of São Paulo (USP) with specialization in leadership and innovation by the Harvard Business School. He joined Minerva in 2011 in the Investor Relations team and from 2013 to 2015 he served as "chief of staff" for the Company's CEO. In 2015, he was appointed Director of Planning, Risk and Control. Prior to that, he worked in the consulting and auditing field at PwC.



About Minerva S.A.

Minerva Foods is the South American leader in beef export and it also operates in the processing segment, selling its products to over 100 countries. Currently, the Company has a daily slaughtering capacity of 26,380 head of cattle and daily beef deboning capacity equivalent to 27,966 head of cattle. Present in Brazil, Paraguay, Argentina, Uruguay and Colombia, Minerva operates 26 slaughter and deboning plants and 3 processing plants. In the 12 months ended March 31, 2018, the Company recorded gross sales revenue of R\$14.4 billion, 43% more than in the same period in 2017.

In accordance with CVM Instruction 381/03, we announce that our auditors did not provide services other than those related to the external audit in 2017 and 1Q18.

Statement from Management

In compliance with CVM Instructions, Management declares that it has discussed, reviewed and agreed with the individual and consolidated accounting information related to the period ended March 31, 2018 and the opinions expressed in the independent auditors' review report, hereby authorizing their disclosure.

APPENDIX 1 - STATEMENT OF OPERATIONS (CONSOLIDATED)

(R\$ thousand)	1Q18	1Q17	4Q17
Revenue from domestic sales	1,406,242	909,861	1,848,787
Revenue from exports	2,346,138	1,392,990	2,402,818
Gross sales revenue	3,752,380	2,302,851	4,251,605
Revenue deductions – taxes and other	-221,027	-160,912	-286,857
Net operating revenue	3,531,353	2,141,939	3,964,748
Cost of goods sold	-2,952,232	-1,730,836	-3,263,424
Gross profit	579,121	411,103	701,324
Selling expenses	-230,752	-148,942	-256,768
General and administrative expenses	-134,475	-92,131	-157,278
Other operating revenues (expenses)	-1,529	2,377	17,577
Result before financial expenses	212,365	172,407	304,855
Financial expenses	-224,658	-205,689	-241,900
Financial income	16,208	27,849	18,358
FX variation	-48,413	138,315	-320,512
Other expenses	-79,326	-93,115	-36,299
Financial result	-336,189	-132,640	-580,353
Result before taxes	-123,824	39,767	-275,498
Income and social contribution taxes - current	-2,580	-26,538	-12,655
Income and social contribution taxes - deferred	11,683	-10,767	-25,196
Result before non-controlling interest	-114,721	2,462	-313,349
Controlling shareholders	-114,721	2,363	-313,349
Non-controlling shareholders	0	99	0
Net income (loss)	-114,721	2,462	-313,349

APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	1Q18	4Q17
ASSETS		
Cash and cash equivalents	3,877,315	3,807,342
Accounts receivable from clients	1,151,542	1,385,460
Inventories	801,690	722,809
Biological assets	209,313	214,317
Taxes recoverable	871,859	863,515
Other receivables	247,002	358,408
Total current assets	7,158,721	7,351,851
Taxes recoverable	199,505	200,747
Deferred tax assets	107,565	95,148
Other receivables	14,430	11,514
Judicial deposits	27,023	21,792
Fixed assets	3,465,628	3,498,652
Intangible assets	721,293	725,621
Total non-current assets	4,535,444	4,553,474
Total assets	11,694,165	11,905,325
LIABILITIES		
Loans and financing	2,700,441	2,187,470
Suppliers	813,986	1,048,399
Labor and tax liabilities	196,418	191,970
Other payables	577,163	519,391
Total current liabilities	4,288,008	3,947,230
Loans and financing	7,084,128	7,419,538
Labor and tax liabilities	28,816	51,449
Provision for contingencies	111,472	147,343
Accounts payable	29,347	38,382
Deferred tax liabilities	216,213	230,306
Total non-current liabilities	7,469,976	7,887,018
Shareholders' equity		
Capital stock	128,854	128,854
Capital reserves	120,182	187,504
Revaluation reserves	53,325	53,712
Accumulated profit (loss)	-249,017	-134,683
Treasury shares	-36,846	-99,679
Equity valuation adjustments	-80,317	-64,631
Total shareholders' equity attributed to controlling shareholders	-63,819	71,077
Total shareholders' equity	-63,819	71,077
Total liabilities and shareholders' equity	11,694,165	11,905,325

APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R\$ '000)	1Q18	1Q17	4Q17
Cash flow from operating activities			
Net income (loss)	-114,721	2,462	-313,349
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	51,250	25,179	58,568
Estimated loss on doubtful accounts	1,419	-125	0
Proceeds from the sale of fixed assets	324	923	0
Net income (loss) attributed to non-controlling shareholders	0	-99	0
Fair value of biological assets	3,265	-10,389	-9,224
Realization of deferred taxes – temporary differences	-11,683	10,767	25,196
Financial charges	218,786	202,689	242,894
FX variation – not realized	41,973	-78,321	355,758
Provision for contingencies	-35,871	73	-518
Accounts receivable from clients and other receivables	340,989	135,194	-284,467
Inventories	-78,881	-71,140	-39,641
Biological assets	1,739	-11,454	-16,146
Taxes recoverable	-7,102	38,501	13,403
Judicial deposits	-5,231	1,095	-787
Suppliers	-234,413	-132,005	125,254
Labor and tax liabilities	-18,185	24,073	-75,055
Other payables	33,910	-20,672	-227,752
Equity valuation adjustments and accumulated conversion amounts	0	0	9,534
Cash flow from operating activities	187,568	116,751	-136,332
Cash flow from investing activities			
Acquisition of intangible assets	-2,433	1,532	-8,629
Acquisition of fixed assets	-46,479	-61,086	-64,108
Cash flow from investing activities	-48,912	-59,554	-72,737
Cash flow from financing activities			
Loans and financing	182,596	512,231	1,559,673
Loans and financing settled	-280,675	-885,691	-722,006
Variation in minority interest	0	99	0
Treasury shares	-4,489	-86,503	-20,947
Cash flow from financing activities	-102,568	-459,864	816,720
FX variation on cash and cash equivalents	33,885	-50,402	0
Net increase/decrease in cash and cash equivalents	69,973	-453,069	607,651
Cash and cash equivalents			
Beginning of period	3,807,342	3,397,870	3,199,691
End of period	3,877,315	2,944,801	3,807,342
Net increase/decrease in cash and cash equivalents	69,973	-453,069	607,651

APPENDIX 4 – EXCHANGE RATE

	1Q18	1Q17	4Q17
(US\$ - Closing)			
Brazil (BRL/USD)	3.32	3.17	3.31
Paraguay (PYG/USD)	5,548.30	5,638.10	5,588.00
Uruguay (UYU/USD)	28.41	28.65	28.74
Argentina (ARG/USD)	20.14	15.39	18.62
Colombia (COP/USD)	2,794.06	2,873.98	2,985.78